

THE IMPACT OF EMPLOYEE TURNOVER IN AN
ORGANISATION: A CASE STUDY IN NORTH WEST
PARKS AND TOURISM BOARD IN MAFIKENG,
SOUTH AFRICA

BY

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DECLARATION

I declare that The impact of employee turnover in an organisation: A case study of North West Parks and Tourism Board in Mafikeng, South Africa is my own work, that it has not been submitted before for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

Alpheaus M. Litheko

November 2012

Signed: 

ACKNOWLEDGEMENTS

I begin in the name of God, the Most Gracious and the Most Merciful. All thanks and praises are for the Almighty God. In keeping with such works and without detracting from academic tradition, I express my gratitude to my mother Mrs Florence Litheko for her emotional support and continue to motivate me when things got tough but especially for encouraging me to have the “strength and courage of my convictions”. Most of all I would like to thank the respondents and employees from North West Parks and Tourism Board for their participation in the research and I will to thank my supervisor Dr. C. M. Guduza for his technical and expert support and he has kept me motivated and inspired at all times constantly encouraging me to strive for the best especially when times were tough. I am appreciative to my sister Audrey Litheko for all her moral support especially reading, correcting and helping me to find the right words. Last and certainly not least, an extra special thanks to my son Toddy Litheko who gave me his moral support and love.

ABSTRACT

THE IMPACT OF EMPLOYEE TURNOVER IN AN ORGANISATION: A CASE STUDY OF NORTH WEST PARKS AND TOURISM BOARD IN MAFIKENG, SOUTH AFRICA. ALPHEAUS M. LITHEKO.

Mini-Dissertation, Graduate School of Business & Government Leadership, North West University. Employee turnover occurs when employees voluntarily or involuntarily leave their jobs and must be replaced by an organisation. This can be a serious obstacle to productivity of the North West Parks and Tourism board (NWP&TB). For the smallest of organisations, a high employee turnover rate can mean that simply having enough employees to fulfil daily functions is a challenge, even beyond the issue of how well the work is done when employees are available. Employee turnover is no less a problem for major companies, which often spend millions of Rands a year on turnover-related costs. The cost associated with recruitment such as advertising costs, interviewing costs, orientation costs, and training costs of new employees can be extremely high for North West Parks and Tourism Board. The implicit cost associated with employee turnover in terms of production loss that might result in high levels of customer turnover. A newly recruited employee might take one to six months to settle at his or her new employment before being fully productive.

In this mini-dissertation, I will explore the different factors that lead to employee turnover in an organisation and how it impacts an organisation. I will explore the consequences associated with employee turnover. In this Mini-Dissertation both quantitative and qualitative research tools are used to thoroughly understand the impact of employee turnover. Qualitative methodologies are employed in order to yield a deeper and more insightful understanding of the impact of employee turnover in an organisation of the case study group. Quantitative methodologies included a questionnaire survey that was administered to the case study group and a stratified random sample was used to select participants. The summary profiling indicates that employee turnover does negatively affect the effectiveness and efficiency of NWP&TB. Further findings show that employee turnover disrupts the operations of NWP&TB and ultimately it will lead to customer dissatisfaction.

ACRONYMS

NWP&TB	NORTH WEST PARKS AND TOURISM BOARD
GSI	GOVERNMENT SUPPORTED INSTITUTION
BEE	BLACK ECONOMIC EMPOWERMENT

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Chapter: 1

Introduction and Background to the study

1.1 Introduction

Organisations invest a lot on their employees it terms of induction, training, development, maintaining and retaining employees in their organisations. Employee turnover to the organisation has the potential to negatively impact on the quality of business services. Therefore, managers at all costs must minimise employee turnover.

According to Sutherland and Jordaan (2004; 55), an organisation is only as good as its employees and that knowledge workers are a major source of competitive advantage in a world where most processes and systems have been standardised across industry participants. The financial impact of knowledge worker turnover is under-appreciated by organisations as the nature of turnover costs, such as loss of organisational memory which conceals its true magnitude.

A brief background on employee turnover, in particular the costs associated with employee turnover is discussed in this chapter. This chapter presents the statement of the problem, research objectives, literature survey, research questions, importance/significance of the study, research design and methodology.

1.2 Background to the study

Employee turnover in an organisation has received substantial attention from both academics and employers. Much of this attention has been focused on understanding its causes. An organisation that experiences a high degree of turnover incurs unnecessary financial costs and impacts negatively on the quality of services and overall production of the organisation (Ton and Huckman, 2008: 56).

According to Hinkin and Tracey (2005: 19), costs associated with training and losses of productivity due to a steep learning curve of new employees are high. It takes a long time to learn a new job and productivity is lost when new employees are unfamiliar with the tasks replace seasoned employees. Those costs are usually not calculated but they have a substantial effect on both internal and external customers.

Younger generations of workers have become individualistic and materialistic and also tend to seek more challenges and changes, thus causing them to pursue better employment opportunities and seek higher wages. From the human resource perspective, these conditions have created other problems that are associated with employment in an organisation. Turnover is costly to an organisation because of the losses that are associated with it (Wang *et al.*, 2010: 872).

According to Liu, Liu and Hu *et al.* (2010: 615), Person- organisation (P-O) fit is a popular theme in the fields of organisational behaviour and personal management. P-O fit significantly affects employees' turnover intention, working attitude, organisational citizen behaviour, ethical behaviour, pressures and job performance. It has been observed that employees are willing to remain with organisations with which they have something in common. Research with Belgian nurses showed that when those nurses felt better fit with the organisation, they tended to stay in the job for at least 12 months.

According to Chiboiwa, Samuel and Chipunza *et al.* (2010: 2103), prevailing evidence from business organisations in Zimbabwe suggests a high rate of employee turnover which has negatively affected the country's economic growth and stability. Apart from the organisations to retain their talent, the entire business environment in Zimbabwe is characterised by unprecedented hyper inflation, high interest rates, high import tariffs most occasioned by the devastating economic turmoil and political sanctions imposed on the country by some developed countries.

1.2.1 Company background

The North-West Parks and Tourism Board (NWP&TB) was established as Government Supported Institution (GSI) pursuant to the North-West Parks and Tourism Board Act No 3 of 1997. It is the product of the amalgamation and restructuring of various organisations from the former Bophuthatswana National Parks, Transvaal Provincial Conservation Authority, the Cape Provincial Conservation Authority, North-West Tourism Council, Department of Education, including the Institute of Hotel & Tourism Management as well as the Ga-Rankuwa Hotel School.

The NWP&TB manages assets which include an estate of 14 parks, 4 tourism information and development centres, 3 marketing satellite offices, 2 Hotel Schools and a Head Office. The NWP&TB is responsible for two national parks, three game reserves, one recreation site and one heritage site. Pilanesburg National park, NWP&TB's oldest reserve, is located approximately 60 km north of Rustenburg. The resorts of Sun City and LostCity lie outside the park on its southern boundary.

Borakalalo National park is found to the east of Pilanesburg about 60 km north of Brits. Madikwe Game Reserve, the largest of all parks and reserves, is found 80 km north of Zeerust on the Botswana border, while Botsalano Game Reserve is located approximately 40 km north of Mmabatho. The third game reserve, Mafikeng Game Reserve, is found immediately east of Mafikeng, while the Lotlamoreng Recreation Site is located a few kilometers west of Mafikeng. Both Mafikeng Game Reserve and the Lotlamoreng Recreation Site, together with a strip of intervening land along the Molopo River, comprise what is known as the Mmabatho Greenbelt Development. The Taung Heritage Site is located approximately 75 km south of Vryburg.

The primary purpose of this establishment was to facilitate sustainable responsible tourism development and conservation area management. The underlying thrust behind the creation of a single Government Supported Institutions (GSI) combining tourism marketing and development on one hand and protected areas management on the other,

was the refocusing of aspects of the conservation function in order to create synergies between tourism promotion and conservation, in the interest of job creation and economic development. Hospitality training is the 3rd core mandate added to NWP&TB.

The North-West Parks and Tourism Board Hotel School Divisions have established itself as one of South Africa's foremost hotel schools, offering supreme courses in Hotel Management. Being the first school in the Southern Hemisphere to achieve Theta Accreditation status, the school is leading the way in the rapidly growing tourism and hospitality industry. NWP&TB has 550 employees working in all the different stations in the Board.

1.3 Statement of the problem

Employee turnover costs money for an organisation. It should be noted that the costs of time and lost productivity are no less important or real than the costs associated with paying cash to vendors for services such as advertising, recruiting or temporary staff. The hidden costs are all very real to the employer and hit where it hurts most, profits.

Consequences of employee turnover can impact performance by disrupting social and communication structures, training and assimilation costs, decreased cohesion and commitment of members who stay. To illustrate, the fact that the jobs in organisations with commitment systems often require high training and skills level suggests a stronger relationship between organisational tenure and performance than exist in control systems. Individuals in such jobs will take longer to reach top performance than individuals in the simpler jobs of control systems.

According to Bliss (2004: 1), research shows that the typical cost of an employee turnover is equal to the employee's annual compensation. However, the calculation can easily reach 150% of the employee's annual compensation figure and the cost can be significantly higher (200% to 250% of annual compensation) for managerial and sales positions. Turnover is costly to an organisation because of the losses that are associated

with it. Human Resource Management professionals need to focus their efforts on reducing employee turnover in order for businesses and industries to operate efficiently.

According to Davidson, Timo and Wang *et al.* (2010: 7-8), labour turnover is not only a significant tangible cost but also an intangible or 'hidden' cost associated with loss of skills, inefficiency and replacement costs. Investment in training and losing staff expertise are particular examples of intangible costs that affect the profitability.

Therefore the research problem could be stated as the impact of employee turnover in an organisation: Case study of North-West Parks and Tourism Board.

Employee turnover has negatively impacted the operations of NWP&TB due to great number of talented employees leaving the organisation. That has resulted in recruitment of new employees that costs the organisation in terms of recruitment costs, orientation costs and training cost of new employees. The newly recruited employees take time to become fully productive because they have to familiarise themselves with the culture and new environment where they are and especially external recruitments and that time lost represent hidden cost associated with employee turnover.

1.4 Research Aims and Objectives

The research is undertaken with the following aims and objectives, namely:

- To determine whether or not employee turnover had any significant impact on North-West Parks and Tourism Board (NWP&TB)
- To measure the extent of the consequences of employee turnover, and
- To determine the factors that could be used to predict the levels of perception of employee turnover.

1.5 Research Questions

The following are the questions that led to the formulation of this research proposal:

- Has employee turnover had any significant impact in the NWP&TB?
- What are the consequences of employee turnover in the NWP&TB?
- What can be used to predict the levels of perception of employee turnover in the NWP&TB?

1.6 Importance/Significance of the study

This study represents a significant endeavor in contributing towards a good working environment in the workplace and motivation to the North-West Parks and Tourism Board employees. This study adds to the body of knowledge about the costs of employee turnover and their impact to an organisation. The study also serves as a future reference for researchers on the subject of human resources.

1.7 Research Design and Methodology

This section outlines the research methodology, paying particular attention to the research plan, target population and sample, survey instrumentation, data collection techniques and data analysis methods.

1.7.1 Research design

Managers and human resource managers in particular, need to understand that high levels of worker mobility are a defining characteristic of the knowledge based economy and that the cost associated with this mobility and benefits of reducing employee turnover are significant (Ton and Huckman, 2008: 56). The overriding motivation for my research is to provide meaningful information to the interested parties about the cost and impact of employee turnover.

1.7.2 Ethical Requirements

This section pays particular attention to the methods and ethical principles of the collection of data. The confirmation letter was handed to the human resource manager of NWP&TB to ensure that correct procedures were followed in the collection of data from employees of NWP&TB and that the data collected was for an academic research purpose in order to contribute to the growing body of knowledge.

1.7.3 Target Population and Sample

Target population refers to the entire group of individuals or objects to which researchers are interested in generalising the conclusions and a sample is a subset of a population. The target population includes employees working at the North-West Parks and Tourism Board(NWP&TB) in Mahikeng, South Africa. NWP&TB has 550 employees in all the workstations which include 14 parks, 2 game reserves, 2 hotel schools and 4 tourism information centres in all parts of the North-West Province. The sample was made up of 80 NWPTB employees situated in Mahikeng.

1.7.4 Instrumentation and Data Source

A questionnaire was used to obtain information from respondents. The questionnaire was made up of three components, namely, background factors, knowledge and perceptions about employee turnover and impact evaluation of employee turnover. Data source contains primary and secondary data. Primary data will be data collected directly from first-hand experience and secondary data refers to data obtained by others in the form of documents which was utilised in their research.

1.7.5 Data Analysis

Simple and intermediate statistical methods were used to analyse the data collected with the sole aim of addressing the research aims and research questions. The methods that

were used to analyse and interpret data included the mean, standard deviation, the mode, the median, unvaried Analysis of Variance (ANOVA), Multivariate Analysis of Variance (MONOVA) and logistic regression analysis.

1.8 Limitation of the Study

The findings of the study may not be generalised to employees in the private sector in Mahikeng or elsewhere, as they have been tailored to weigh the impact of employee turnover of NWP&TB employees in Mahikeng.

1.9 Summary

This chapter introduced the topic of the impact of employee turnover in an organisation. Employee turnover to the organisation has the potential to impact negatively on the quality of service rendered to its customers. An organisation that experiences high degrees of turnover incurs unnecessary expenses and ultimately disrupts the operations of the organisation. This chapter further covered the problem to be investigated, followed by research questions to be answered by this study, and the aim and objectives of the research. A questionnaire will be used to collect data from applicants from North-West Parks and Tourism Board and the findings may be generalised to weigh the impact of employee turnover at NWP&TB. The target population includes employees working at North West Parks and Tourism Board in Mahikeng. Chapter 2 will explore in detail literature on the impact of employee turnover in an organisation and literature that is closely related to the topic. Chapter 3 deals with the research methodology, Chapter 4 deals with data results and interpretations of results, and the summary of the findings and recommendations are considered in Chapter 5.

Chapter: 2

Review of Selective Literature

2.1 Introduction

There is need to develop a fuller understanding of the employee turnover, especially what determines employee turnover, effects and strategies that managers can put in place to minimise turnover. Globalisation which is heightening competition must continue to develop tangible products and provide services which are based on strategies created by employers. Employees are extremely important to the organisation and forms part of the intangible assets of an organisation which are not easy replicable.

Conflicts between family needs, life activities and work have significant consequences. In particular family interfering with work conflicts can lead to negative work attitudes, tardiness, absenteeism and leaving early as well as lowered productivity, increased turnover and reduced job satisfaction. High turnover can have a negative impact on customer services which might result in lost sales (Konrad and Breward, 2009; 2).

According to Ongori (2007; 1-2), employee turnover is the rotation of workers around the labour market; between firms, jobs and occupation and between the states of employment and unemployment. A person-organisation fit is when a person and an organisation have common characteristics or meet each other's needs. Therefore, if the organisation is not meeting the employees' needs, their intentions to leave are increasing which results in them making the decision to quit (Muteswa and Ortlepp, 2011; 15).

A turnover intention has been defined as a conscious psychological willingness to leave an organisation. It also represents thoughts of quitting a job or searching for new employment opportunities. These diverse factors that affect turnover, can make it

difficult to predict turnover behaviour accurately. However, turnover intention has been identified as the best predictor of turnover because researchers have demonstrated that intention to leave has been consistently correlated with turnover (Wang, Hyde, Chen and Hsieh *et al.*, 2010: 875).

Turnover intention and job satisfaction are the two problems in human resource and organisational management. Turnover not only increases the cost of employing staff but diminishes the organisation's knowledge capital and weakens its reputation. Three categories of factors that affect turnover are the environment or economy, employees, and organisational level (Liu *et al.*, 2010: 617). It has been observed that employees are willing to remain with organisations with which they have something in common.

The direct costs of turnover are high in terms of actual number of hours invested in hiring and developing each new employee. To determine the costs associated with turnover, one has to consider the effort invested in employing (eg, recruiting, interviewing, orienting) and developing each employee. The cost associated with time needed for an employee to become fully functional or highly productivity such as an employee familiarising them with the culture of an organisation.

Teachers estimated that it took between 1 and 12 months for new paraprofessionals to become proficient at working with students. During this period, each new paraprofessional needed extensive direction and job-embedded development to gain the knowledge and skills to support specific students. This range varied, in part, due to complexity of individual student's needs, the number of environments the paraprofessional worked in, the baseline skills of the paraprofessional and his or her capacity to learn new material and work with new students (Ghere and York-Barr, 2007: 27).

The scarcity of top talent in South Africa, especially black talent, has led to talent retention becoming a major headache for many South African organisations. The changing demographics of the labour market, enduring skills shortage and employee

demand for work-life balance have created a so called war for talent (Nzukuma and Bussin, 2011: 4). It thus becomes imperative to have core leadership that has the sound emotional intelligence needed to retain a fluid workforce.

As the South African economy has become more service orientated, with the financial services sector contributing 29% to the Gross Domestic Product (GDP), human skills are pivotal. It thus becomes imperative to have core leadership that has the sound emotional intelligence needed to retain this fluid workforce. The high mobility of talented workers in South Africa is caused by factors like emigration of skilled workers and equity legislation that causes companies to chase numbers, forcing highly qualified black talent to be mobile (Nzukuma and Bussin, 2011: 4).

The volatile economic environment in Zimbabwe has significantly impacted on the way business organisations are managed in the country. The new world of work puts the importance of human capital and indeed human capital development at the centre of organisational success or failure. One of the most important drivers of productivity and sustainable economic growth in developed economies is the quality and stability of its workforce. However, prevailing evidence from business organisations in Zimbabwe suggests a high rate of employee turnover which has negatively affected the country's economic growth and stability (Chibiowa *et al.*, 2010: 2104).

According to Wikipedia report (2011), the economy of Zimbabwe was collapsing as a result of economic mismanagement, resulting in 94% unemployment rate and hyper-inflation. Mismanagement of employees resulted in high turnover of employees hence the high percentage of unemployment. The economy poorly transitioned in recent years, deteriorating from one of Africa's strongest economies to the world's worst. At some point inflation surpassed that of all other nations at over 80 sextillion (10²¹) % (although it is impossible to calculate an accurate value), with the next highest in Ethiopia at 41% (Chibiowa *et al.*, 2010: 2105).

According to Chibiowa *et al.* (2010: 2105), Zimbabwe currently has the lowest gross domestic product (GDP) and real growth rate in an independent country and 3rd in total (behind Palestinian territories). These factors have combined to create a highly hostile operating economic environment for businesses thus resulting in the inability of organisations to craft a sustainable retention strategy thereby resulting in aggravated employee turnover being witnessed today.

2.2 Voluntary and involuntary turnover of employees

Employee turnover is classified into two categories as either voluntary or involuntary. Voluntary turnover is defined as employee initiated, with the staff member seeking better employment conditions or prospects or job satisfaction. Involuntary turnover is defined as employer initiated and due to retrenchment or dismissal for disciplinary or performance related reasons (Sutherland and Jordaan, 2004; 56).

2.2.1 Involuntary turnover of employees

According to Hausknecht and Trevor (2010; 369), despite the presumption that poor performer turnover and involuntary turnover must be functional, there is still no empirical evidence of involuntary turnover yielding favourable outcomes at the collective level. While such erosion of productivity is expected to be greater for voluntary leavers, the employee movement itself, even associated with less valuable (involuntary) leavers, still suggests that operational disruption will occur.

Demand declines often invoke market clearing mechanisms that weaken and weed out underperforming firms thereby causing significant employee layoffs. In addition, employee downsizing has been linked to structural changes brought about by technological advances, with increased productivity from such advances manifesting itself in the form of redundancies and employee layoffs. Moreover, industry deregulation and globalisation have prompted many firms to seek efficiency and productivity

enhancements via employee reductions in an effort to remain competitive (Datta *et al.*, 2009: 284).

According to Datta *et al.* (2009:286), employee downsizing is a planned set of organisational policies and practices aimed at workforce reduction with the goal of improving firm performance. Thus, downsizing is viewed as an intentional event involving a range of organisational policies and actions undertaken to improve the firm's performance through a reduction in employees.

According to this perspective, employee downsizing is seen as an outcome of the institutionalization process, whereby organisations seek legitimacy by mimicking downsizing practices by those firms viewed as being "successful" and "legitimate." Alternatively, arguments have been advanced that downsizing is the result of deinstitutionalisation of existing practices (eg, the employment-for-life practice that had been prevalent in Japan). However, abandonment of institutionalised practices in favour of new practices comes at a cost of diminished legitimacy and such costs must be weighted against the benefits of abandonment.

Over the past couple of decades, employee downsizing has become an integral part of organisation life. Global competitive pressures coupled with ever-changing demand conditions have caused firms to critically examine their cost structures, including those associated with human resources. Once confined primarily to the United States, employees downsizing has, over time, become the norm in many countries. The magnitude of the downsizing activity has been exacerbated by the current recession. The extent of job losses has been staggering. In the United States alone, more than 6.5 million jobs were downsized since the recession began in December 2007, with the numbers expected to grow in the foreseeable future (Datta *et al.*, 2009: 282).

Employee downsizing has been linked to demand declines, with firms seeking to reduce labour costs while increasing fixed factor utilisation. Demand often invokes market-clearing mechanisms that weaken and weed out underperforming firms, thereby causing

significant employee layoffs. In addition, employee downsizing has been linked to structural changes brought about by technological advances, with increased productivity from such advances manifesting themselves in the form of redundancies and employee layoffs (Datta *et al.*, 2009: 284).

Moreover, industry deregulation and globalisation have prompted many firms to seek efficiency and productivity enhancements via employee reductions in an effort to remain competitive. Employee salary represents a large percentage of the overall expenses of an organisation. Organisations usually reduce their employees when at risk of bankruptcy or at risk of being liquidated (Datta *et al.*, 2009: 284).

2.2.2 Voluntary turnover of employees

The intent to leave the organisation has also been described as the final step in a series of withdrawal cognitions leading to actual turnover. Predecessors in the withdrawal process were found to be predictors of voluntary employee turnover these are job satisfaction, organisational commitment, job search behaviours, withdrawal cognitions and turnover intentions (du Plooy and Roodt, 2010: 3).

Employees who are not committed and not embedded in their jobs are more likely to leave. These are important factors in determining the quality of contribution individuals make to an organisation and its ultimate productivity. At the organisation level, the cost of turnover can be significant and employees' job satisfaction has significant impact on employee attitudes (Jordan, 2010: 22).

A key pillar of organisational management is transparency. Too much transparency could lead to voluntary employee turnover by itself. For instance, employees might perceive a drop in sales as detrimental to their personal growth opportunities and thus leave the organisation and pursue employment with rival firms (Swanepoel, 2008: 2). Those employees leave the organisation with the trade secrets and might become future rivals for the organisation and threaten to gain a greater market share.

Transparency also generates significant costs such as the institution of regulatory authorities, creation of great variety of committees and the capture, analysis and diffusion of huge amounts of data. Transparency could also lead to overwhelming surveillance thus risking an organisation to develop a Big Brother culture which would defeat the purpose of open management (Swanepoel, 2008: 2).

Insufficient alignment of how the employee's work achieves organisational objectives and how the employee can be a greater success is one of the common reasons why employees leave their organisation. In an organisation, employees are only familiar with how to do their own jobs and often are unaware of the importance of their jobs to both internal and external stakeholders. The employees level of positive contribution enables an organisation to achieve its goals and objectives (Muteswa and Ortlepp, 2011; 16).

According to Nzukuma and Bussin (2011: 5), scarcity of mentorship in organisations is the acknowledged driver of voluntary turnover. Experienced managers are at times reluctant to take on mentoring, either because they are insecure or because they are unwilling to train and develop young talent without an economic incentive. Experienced managers are reluctant to mentorship because they are resistant to changes in the organisation.

Labour turnover is very high amongst non managerial employees. This was manifested in the tenure analysis which put the average tenure of managerial employees at five years. Results of the interview conducted at the organisation attributed the high turnover rate amongst this category of employees mostly to poor remuneration, poor working conditions and job insecurity. Employees' intention to remain and be committed to an organisation can be explained within the context of Abraham Maslow's hierarchy of needs theory (Chiboiwa *et al.*, 2010: 2105).

According to Maslow as cited in Robbins (2005:60), people are motivated to satisfy five need levels and these include physiological, safety, social, esteem and self actualisation

needs. At the bottom of the hierarchy are the physiological needs that represent basic issues of survival and include things like food, clothing and shelter. Others include safety and social needs. These needs can be satisfied through adequate salaries, job security and social affiliation.

If these needs are not adequately satisfied, then the individual embarks on the process of searching for alternative employment. The inability of the organisation under study to satisfy the lower level needs of its employees through the provision of competitive remuneration, good working conditions and job security might have combined to account for the high rate of turnover amongst the organisation's non managerial employees (Robbins, 2005: 60).

Factors that cause African Black senior managers to leave organisations are segmented into environmental, organisational and individual factors. Environmental factors are those that exist outside the boundaries of the organisation, including political factors, culture and behaviour, technological changes, economic and legal factors over which the organisation does not have direct control. Organisational and individual factors are those that are a source of discomfort and push the individual to desire to leave the organisation (Nzukuma and Bussin, 2011: 4).

Employees have an upper hand in the workplace as they are seen to hold the tool of trade through their knowledge. Employees have become one of the valuable intangible assets that organisations have invested so much capital and have gained exposure to the trading of an organisation. Employers must do everything they can to cultivate a powerful, persuasive reputation for talent management if they are to safeguard their long-term talent resources (Nzukuma and Bussin, 2011: 4).

Employees now look for interesting work, open communications and opportunities for development. Employees seek development opportunities in order to reduce their dependency on their employers. Thus employers must continue to offer development opportunities to remain more attractive than the rest of the market. Employees will stay

committed if there are clear promotion paths and opportunities for advancement and if this opportunities does not exist this will poses a turnover risk as there is more competition for and fewer levels of advancement (Swanepoel, 2008: 15).

2.3 Turnover and the psychological contract

Employers have to be aware of the psychological contract between the employer and the employee. The psychological contract essentially refers to the unwritten mutual expectations people have of one another in a relationship and how these expectations change and influence one's behaviour over time. A significant consequence of the change in the psychological contract is the increased mobility of knowledge workers (Nzukuma and Bussin, 2011: 5).

There is an unwritten agreement about the respective contributions that employees and the organisation can expect from each other. This agreement is also known as the psychological contract. The agreement is voluntary, based on a mutual understanding which evolves over time and is implicit. Then some factors change such a work setting or team makeup. It could be interpreted as a break in the psychological contract with possible negative consequence such as anger, disengagement and possibly employee turnover (Swanepoel, 2008: 12).

Globally, employment relations have changed dramatically over the last decade, with the turbulent business environment that has changed the relationship between employer and employee from a strong long-term connectivity type relationship to one of short-term instability and disconnection. African black senior managers manage their careers and will commit to an organisation as long as their career goals are met (Nzukuma and Bussin, 2011: 5). African black senior managers seek self development and are always looking for opportunities to satisfy their personal goals.

The psychological contract could be relational or transactional. Relational contracts are closely associated with loyalty, commitment and a long-term relationship. A relational

psychological contract enhances good discretionary behaviour among employees, while a transactional psychological contract achieves the opposite. When a relational contract is broken the sense of loyalty usually leads to some resolution. Non-resolution invariably leads to turnover. On the other hand, transactional contracts are more closely associated with narrow job descriptions and limited tenure. A break in the transactional psychological contract invariably leads directly to turnover (Swanepoel, 2008: 14).

Job insecurity can result in increased turnover in organisations and that emotional intelligence results in lower turnover as employees are able to manage the emotions that emerge from perceptions of job insecurity. Relationships at work (in this case, perceptions of a good relationship between supervisor and subordinate) lead to a better employee engagement and as such results in lower turnover (Jordan, 2010: 28).

A high employee turnover rate is often prevalent in an environment where employees are highly dissatisfied. Employees that lack job satisfaction often tend to withdraw from situations and environments as a means of dealing with their dissatisfaction. A major form of employee withdrawal is voluntary turnover which can be dysfunctional to an organisation. By resigning to seek new job prospects, individuals might be expressing their dissatisfaction with their jobs or attempting to escape from the unpleasant aspects they may be experiencing (Luddy, 2005: 52).

The autocratic style of leadership is not as effective as a participative leadership that consults with subordinates when making decisions. This type of leadership is critical in empowering employees to become future leaders. Participative leadership helps employees to generate ideas and assist in decision making process that ensures that an organisation achieves its goals. Voluntary turnover can be classified as functional (beneficial) or dysfunctional (costly) to the organisation. The organisation benefits if poor performers leave but incurs a cost when good performers leave (Swanepoel, 2008: 12).

2.4 Functional and dysfunctional turnover

Employee turnover is commonly classified as either functional or dysfunctional. Functional turnover is characterised by a situation where high-performance employees remain with the organisation while poor performance employees leave the organisation. Dysfunctional turnover is characterised by high-performance employees leaving and poor performance employees staying (Sutherland and Jordaan, 2004; 57). Dysfunctional turnover has higher indirect cost to an organisation such as loss of knowledge, loss of momentum in the organisation and overall customer dissatisfaction.

2.4.1 Dysfunctional turnover

While losing employees is a very costly exercise, the replacement costs incurred include advertising and recruitment expenses, orientation and training of new employees, decreased productivity until the new employee is up to speed and loss of customers who were loyal to the departing employee. Finding, recruiting and training the best employees represent major investment challenges. Once a company has captured talented people, the return on investment requires closing the back door to prevent them from walking out (Netswera, Rankhumise and Mavunda *et al.*, 2005: 37).

As one principal explained that turnover impacts the entire program because the program demands a full complement of teachers as well as paraprofessional and often substitute paraprofessional did not exist. Turnover placed a huge strain on the special educators in particular. Special education teachers and at the secondary level, special education coordinators invested a significant amount of time in training temporary personnel as well as the newly hired employees (Ghere and York-Barr, 2007: 28).

Attesting to the stress, a lead teacher said, "It's very difficult when special education teachers need to take the time to train the brand-new paraprofessional. Those teachers cannot do it all; they can't physically do it all." Similarly, a secondary principal commented, "It's really frustrating for the teachers because they don't want to be in the

business of retraining somebody” Another disruptive effect of paraprofessionals was on relationship among team members. Paraprofessionals needed to not only learn about individual students but also about the spoken and unspoken expectations in various classrooms. Both the special and general education teachers had to reinvest to make new relationships successful (Ghere and York-Barr, 2007: 28).

Negative organisation outcomes are associated with increased labour turnover. These organisational outcomes include: high direct labour and indirect financial cost; a decrease in financial sustainability; a decrease in productivity; the rendering of services and standards; interruptions in workflow; a loss of experience and specialist knowledge; an increase in administrative processes; a decline in the organisation’s image; an interruption in the internal and informal social liaison and communication channels and an increased feeling of job dissatisfaction among the remaining staff (Pienaar and Bester, 2009: 32).

Additionally, the retention of academics is made increasingly difficult and academic careers are probably no longer as desirable and attractive as was previously believed. Research was done among academics in Australian universities confirms this contention, since 79% and 71% of the respondents respectively believed that the image and status of an academic career were declining. The fact that an academic career seems to have become less attractive may have far-reaching consequences for higher education institutions and society as a whole (Pienaar and Bester, 2009: 32-33).

One reason why top management are not addressing employee turnover sufficiently is that role-players as well as the human resource managers of organisations, underestimate the value and gravity thereof and reasons for labour turnover are not correctly identified. Another reason is that the solutions which organisations generate do not always suit the reason for the increased labour turnover (Pienaar and Bester, 2009: 32-33). Employee turnover is more evident at the public sector compared to private sector. Public sectors do not emphasize much on investing in employees compared to private sectors who are

profit making organisations and compete with other rivals, in order to ensure that their workforce are highly motivated to maximise the organisations profits and wealth.

Training costs typically include orientation, induction and training to a standard level of competence that is needed for adequate performance of the assigned work. These costs include materials, costs of informal instruction and costs of on-the-job training. The value of lost productivity is the difference between the replacement worker and the worker who left. This difference is typically a loss and thus a cost when the replacement worker has a lower skill level or needs to learn the job in order to reach the level of productivity of the original worker (Milanowski and Odden, 2007; 4).

According to Ghere and York-Barr (2007: 25), the direct cost of turnover were high in terms of the actual numbers of hours invested in hiring and developing each new paraprofessional. To determine the costs associated with turnover, one has to consider the process that is taken when recruiting a new employee in an organisation. Costs of advertising, interviewing and orientating a new employee are high. Another factor to be considered when employees leave is the inherent loss of explicit and tacit organisational knowledge.

Labour turnover can be an advantage or a disadvantage for higher education institutions. The disadvantage revolves around the costs related to decreased organisational loyalty; the loss of knowledge and experience regarding the institution and the increase in time and cost in training novice academics. Institutions on the other hand, may save on the financial remuneration packages of experienced employees by appointing novices at a lower scale. It would seem, however, that the disadvantages of increased labour turnover outweigh the advantages (Pienaar and Bester, 2009: 33).

Higher education institutions – more than any other organisation, are however dependent on the intellectual abilities and commitment of academics staff. The intellectual and creative abilities of staff determine the survival and sustainability of higher education institutions. Consequently, in order to function effectively, higher education institutions

are, to a large extent, dependent on the commitment of academics (Pienaar and Bester, 2009: 33).

It is important that the employee's need for challenging and meaningful work is satisfied, as well as the needs for autonomy, flexibility and independence. The performance appraisal system and its application should also be fair and valid to ensure that rewards in the form of bonuses, promotions, salary increases and recognition are based on achievement in terms of the criteria that result from the job description (Pienaar and Bester, 2009: 32).

Constructive feedback should be provided to help employees to identify their developmental areas. Employees should get the opportunity to participate in decision-making that concerns them. Organisations should also provide training opportunities to empower employees and to better equip them for their respective jobs. Competitive financial packages are also very important to employees as well as sufficient time to balance work and life roles (Pienaar and Bester, 2009: 32).

According to Ghere and York-Barr (2007: 22), explicit knowledge, acquired through formal and informal training, refers to organisational policies and procedures and to the content knowledge essential to a position. Tacit knowledge includes insights and understandings about a job and its organisational culture that are developed through experience, observation and conversations with colleagues. Of the two, tacit knowledge is the most challenging for new employees to gain and for organisations to replace, because it is learned through working in the organisation.

There are three types of costs incurred when an employee leaves an organisation. First, there are the direct replacement expenses for recruiting, interviewing and training each new employee. Second, there are the indirect costs during the transition period which affect the workload, morale and productivity of the remaining employees as well as customer satisfaction. Finally, there are the costs of lost opportunities. The time and

energy invested in each new hire results in lost opportunity costs because that time is not available for other organisational needs (Ghere and York-Barr, 2007: 22).

Numerous negative organisational outcomes are associated with increased labour turnover. These organisational outcomes include: high direct and indirect financial costs; a decrease in financial sustainability; a decrease in productivity; the rendering of services and standards; interruptions in workflow; a loss of experience and specialist knowledge; an increase in administrative processes; a decline in the organisation's image; an interruption in the internal and informal social liaison and communication channels and an increased feeling of job dissatisfaction among the remaining staff (Pienaar and Bester, 2006: 32).

Management underestimates the importance of human capital in an organisation and if the human capital can be well managed and aligned to organisational goals they can assist developing a competitive advantage over its rivals. If organisations do not manage human capital in an effective manner they will experience high levels of turnover. Another reason is that the solutions which organisations generate do not always suit the reason for the increased labour turnover. Apart from that, no measuring instrument to develop the value of retention is implemented (Pienaar and Bester, 2006: 33).

Firms experiencing moderate growth are likely to encounter problems with employee turnover if they cannot keep their employees stimulated. Information Technology Web (2007) reports that an apparent skills shortage is driving higher wages and increasing employee mobility in the South African Information Technology market. Thus there is ample opportunity for employees to find more stimulating employment (Swanepoel, 2008: 1). The three subcomponents of burnout are emotional exhaustion, depersonalisation and diminished personal accomplishment. Burnout has been found to contribute to the intent of employees to leave their organisations and it has been well documented by two Australian studies (du Plooy and Roodt, 2010: 3).

Corporate South Africa is desperate for highly skilled black South Africans to meet their enterprise development and procurement needs. This opportunity has led to a noticeable shift towards having more Black professionals running their own businesses; this requires individuals who are willing to take risks, and driven with passion to succeed. The equity element of Broad-Black Based Economic Empowerment (BBBEE 2007) is an attraction for talented black professionals to enter the ranks of entrepreneurs. Entrepreneurs are individuals who recognize opportunities where others see chaos or confusion (Nzukuma and Bussin, 2011: 5).

According to Ton and Huckman (2008; 56), the assumption that turnover is driven by certain identifiable characteristics of workers, tasks, firms and market demands, is highly motivated by inadequate human resources policies. Developing policies to address these characteristics, managers might reduce the occurrence of turnover in their respective organisations. The consequences and costs of turnover have received less attention from managers and researchers.

One remedy is for one to seek employee satisfaction indicators that do not rely on self-reports obtained through employee surveys. Such measures are less influenced by measurement error and perhaps more reflective of the profitability associated with employee satisfaction. The theoretical link between employee turnover and firm performance suggests that recall capabilities of a firm are eroded when people leave. When people depart, their intelligence regarding processes, methods and customers also leaves. In a service organisation, a logical hypothesis is that higher levels of employee turnover will be associated with lower levels of customer satisfaction (Hurley and Estelami, 2005: 186).

2.4.2 Functional turnover

Employee turnover is not always dysfunctional especially when an employee who initiates to leave an organisation was not productive and was a factor that contributed to a very negative working environment. Destructive employees can hamper the spirit of the

workplace as well as stringent policies that do not allow dismissing of employees easily. Often employees that are destructive can influence other employees to create a working environment that is not desirable.

Is not to say that all staff turnovers should be eliminated. However, given the high cost and impact that unnecessary turnovers have on running a business, a well thought-out program designed to retain good employees will easily pay for itself in a very short period of time (Bliss, 2004: 1). Compensation design can impact on a company's ability to face major challenges and bring advantages in competition for talent, organisational development and resource utilisation. When compensation is designed practically, employees are rewarded for the value they add to the company (Shieh, 2008: 827-828).

The organisational efficiency perspective draws on the resource-based view of the firm to argue that employee downsizing, with attendant cost savings, is a viable strategy in redressing organisational performance declines. In the context of underperforming firms, employee downsizing is seen as an important signal communicating organisational intentions and efforts at bridging the gap between stakeholders' expectations and achieved performance. On the other hand, layoff announcements made in the absence of poor performance may be perceived as a proactive measure aimed at maintaining current competitive advantage (Datta *et al.*, 2009: 284).

The organisational efficiency perspective has also been used to justify downsizing in the aftermath of mergers and acquisitions. When similar firms merge, consolidation of operations generates personnel redundancies, undercutting financial performance. In such a context, employee downsizing represents a vehicle by which the merged entity can eliminate slack and realise operational synergies (Datta *et al.*, 2009: 284).

Agency theory posits that weak governance mechanisms lead to managers engaging in activities that further their own interests at the expense of shareholders. From this perspective, managers have a disincentive to downsize because of the pecuniary benefits that are derived from running larger and more complex organisations and any gains from



downsizing that accrue primarily to shareholders. Effective monitoring (eg, independent boards and greater institutional ownership) can mitigate agency problems and contribute to greater willingness on the part of managers to seek efficiency enhancements via employee reductions. It has been argued that the proclivity to downsize under conditions of weak performance is likely to be greater when the board is dominated by independent outsiders (Datta *et al.*, 2009: 284).

Firms adopt a quality enhancement HR strategy in which employees are perceived as assets required producing high quality goods/services. Large investments tend to be made in the long-term development of employee skills. Management focuses on motivating employees to work hard toward quality oriented goals and places the importance of employee welfare above revenues and profits. In contrast, when the strategic focus is on competing on the basis of low costs, management perceives employees as costs to control and focuses on enforcing employee compliance with rules and procedures, including monitoring the quantity of employee output. Under the latter circumstances, employees are seen as replaceable workers who are part of a cost equation function (Nishii *et al.*, 2008: 11-12).

HR strategy tends to focus on reducing costs associated with each employee by, for example, offering low base salaries with few perks and engaging in narrow and short-term training. The service profit chain postulates that higher employee satisfaction levels lead to high customer satisfaction and ultimately affects consumer loyalty and profitability. This line of thinking not only has an intuitive appeal but it also highlights the critical role of customer and employee satisfaction in the profit generation process and provides a vision for how service organisations should reengineer themselves in order to improve long-term profitability. One construct that has largely been ignored in most of this research stream has been the role of employee turnover. Research on organisational learning and knowledge management provides a strong theoretical basis connecting knowledge residing within employees and organisational performance (Hurley and Estelami, 2005: 186).

Retention is a voluntary move by an organisation to create an environment which engages employees for a long term. According to Chiboiwa *et al.* (2010: 2104), 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 (HR) practitioners in a hostile economic environment like the one being witnessed in Zimbabwe.

There is also anecdotal evidence that higher levels of employee turnover can lead to lower levels of customer satisfaction in retail stores. For example, the report that Sears has experienced is that stores with lower rates of employee turnover have higher levels of customer satisfaction. High employee turnover may not only be indicative of a poor work environment but it may also be reflected in the loss of experienced employees and established customer relationships, resulting in negative effects on the customer (Hurley and Estelami, 2005: 186).

However, currently there is little empirical research to help validate this view and to better understand the capabilities of employee turnover measures as predictors of customer satisfaction. Such an inquiry would be especially appealing, since, unlike employee and customer satisfaction surveys, which are time consuming and costly to collect, employee turnover is a naturally collected managerial measure in almost all organisations. The accessibility of this measure may therefore help service organization gain a clearer picture of the dynamics of the service profit chain (Hurley and Estelami, 2005: 186).

According to Hurley and Estelami (2005: 188), low performing employees have an increased interest in voluntarily leaving an organisation, since they gain little job satisfaction from operating within their work environment. Employees who experiences low performance might be associated with a number of factors such as the moral being low in the workplace, broken relationships with co-workers, and weak culture that may prompt them voluntary to leave and seek employment with other organisation

2.5 Full-time and part-time employee turnover

It is important to note that turnover may be functional and also dysfunctional. The argument surrounding the loss of organisational learning associated with employee turnover maybe true to different degrees, depending on whether or not the employee leaving the company has a rich knowledge of the organisation. Therefore, significant variation can be expected between the implications of turnover among part-time and full-time employees (Hurley and Estelani, 2005: 188).

Full-time employee turnover may imply the loss of years of training and development of the employee and a high cost of replacement. In contrast to part-time employees, replacing a full-time employee may require significant investments and a long break in period for incoming employee and may be associated with poor service delivery. Part time turnover may actually be a more accurate representation of quality of the work environment. This is because part-time employees typically experience lower levels of organisational commitment. Part-time employees are therefore more likely than full-time employees to leave low-quality work environment (Hurley and Estelani, 2005: 188). Seasonal changes such as the beginning of a school year can cause high turnover when part-time, school age-employees return to their classrooms.

2.6 Conclusion

Employee turnover and retention are, in essence, opposite sides of the same coin. The organisational costs related to turnover are the reverse of the gains an organisation receives from retaining quality employees. The time and energy invested in each new hire results in productive loss because it takes time for a newly recruited employee to become fully productive. Employee turnover is dysfunctional in terms of when a talented employee leaves the organisation and that has the tendency to have a negative impact on the operations of an organisation. Employee turnover is not always dysfunctional because when an employee who is incompetent and is less productive leaves the organisation is to

the benefit of the organisation. Chapter 3 deals with research methodology a guideline system for solving a problem, with specific components such as methods, techniques and tools.

CHAPTER: 3

Research Methodology

3.1 Introduction

The study seeks to explain the impact of employee turnover at North-West Parks and Tourism Board (NWP&TB) in Mafikeng, South Africa. Data collected reveals the impact of employee turnover in NWP&TB and how employee turnover can affect the production of an organisation in terms of efficiency and effectiveness. Data collected seeks to reveal the relationship between different factors that contribute towards employee turnover. According to Wolfe (2011: 1), a conservative estimate of the cost of turnover for hourly employees is 25 percent of their annual salary. A search for studies about costs associated with hiring and employee turnover places the actual expense closer to 50 percent for hourly employees and many times higher for management, professional, sales and other key positions when considering lost opportunity, lost productivity and even theft, absenteeism and counterproductive and disruptive behaviours that are costly for an organisation.

3.2 Research Design

According to Bowerman and O'Connell (2007), research design refers to how a researcher puts a research study together to answer a question or a set of questions. Research design refers to a systematic plan outlining the study, the researchers' methods of compilation, details on how the study arrives at its conclusions and the limitations of the research. Research design is not limited to a particular type research and may incorporate both quantitative and qualitative analysis. When defining research design to an audience, there are few things a researcher needs to make clear, while avoiding the use of scientific terms that may confuse the researcher's audience.

3.2.1 Quantitative research

According to Howell (2004: 103), quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or computational techniques. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships. Quantitative data is any data that is in a numerical form such as statistics, percentages, etc. In layman's terms, this means that the quantitative researcher asks a specific, narrow question and collects numerical data from participants to answer the question.

3.2.2 Qualitative research

According to Verzani (2005: 86), qualitative research is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences but also in market research and further contexts. Qualitative researchers aim to gather an in-depth understanding of human behaviour and the reasons that govern such behaviour. The qualitative method investigates the why and how of decision making, not just what, where, when. Qualitative methods produce information only on the particular cases studied and any more general conclusions are only propositions.

3.3 Target population and Sample

The target population includes employees working at the North-West Parks and Tourism Board (NWP&TB) in Mafikeng, South Africa. The target population is group of employees at NWP&TB in which the study will be applying its conclusion. NWP&TB has 550 employees in all the workstations and that is 14 parks, 2 game reserves, 2 hotel schools and 4 tourism information centres in all parts of the North-West Province. The sample is made up of 80 NWP&TB employees situated at the head office in Mafikeng.

The target population is further subdivided into three: senior managers, functional managers and operational employees.

According to Verzani (2005: 62), the entire population at times will be sufficiently small and the researcher can include the entire population in the study. This type of research is called a census study because data is gathered on every member of the population. The population is too large for the researcher to attempt to survey all of its members. Small but carefully chosen members were used to represent the entire population. The sample reflects the characteristics of the population from which it was drawn.

According to Collis and Hussey (2009), a sample is made up of some members of the target population. There are two main categories of sampling researchers use:

- **Probability sampling** where the researcher can in advance determine that each segment of the population will be represented in the sample drawn (Random sampling; Systematic sampling, and Stratified sampling).
- **Non-probability sampling** where the researcher has no way of forecasting or guaranteeing that each element of the population will be represented in the sample (Convenience sampling, Quota sampling and Purposive sampling)

3.4 Limitation of the study

According to Howell (2004: 106), the limitations of the study are those characteristics of design or methodology that impacted or influenced the application or interpretation of the results of your study. They are the constraints on generalisation and utility of findings that are the result of the ways in which you chose to design and the method used to establish internal and external validity. The findings of the study may not be generalised to employees in the sector or public sector in Mahikeng or elsewhere, as they have been tailored to weigh the impact of employee turnover of NWP&TB employees in Mahikeng.

3.5 Survey Instrumentation and Secondary Data Sources

A specially designed survey instrument will be used to obtain information from respondents. The instrument was made up of three components, namely, background factors, knowledge and perceptions about employee turnover and impact evaluation of employee turnover. The first component, background factors, comprises of 7 items while the second component, knowledge and perceptions about employee turnover comprised of 3 items. The third component, impact evaluation, comprised of 10 items with each item measured on a four-point Likert scale with 1 = agree, 2 = strongly agree, 3 = not sure, 4 = disagree and 5 = strongly disagree.

Secondary analysis refers to re-analysing documents or data obtained by others. For this study it included an analysis of reports, journals, NWP&TB policy documents, statistics and legislation, providing a better understanding of the current situation of the impact of employee turnover in an organisation (Verzani, 2005: 146).

3.6 Response Rate

In all 80 questionnaires were distributed out of which 65 were returned and 63 of those were analysable. This suggests a response rate of 78.75 percent, which is relatively high.

3.7 Data Analysis Methods

Simple and intermediate statistical methods will be used with the sole aim of addressing the research aims. Statistical methods that will be used includes the mean, standard deviation, the pie chart, bar chart, logistic regression analysis, Analysis of Variance (ANOVA) and Multivariate Analysis of Variance (MANOVA).

Descriptive study

In a descriptive study, the researcher collects data to define or describe some group or phenomena. The researcher merely describes the variables in a situation that are of interest to him or her. Using words or numbers, descriptive research depicts conditions as they exist in the particular setting. With descriptive research, you may use qualitative data sources or quantitative data sources or both (Howell, 2004: 60).

Measures of Central Tendency

Every set of data has a tendency to cluster around a central value. There are various measures of central tendency, including the Mean, Median, Mode, Quartiles and various percentiles (Bowerman and O'Connell, 2007: 58).

The Mean

For most statistical analyses, the mean is the most often used measure of central tendency. The mean is most often used because of its relationship to the variance statistic. The mean is also important in the sampling distribution, which is formed from the distribution of all possible individual sample means and has as its centre, the mean of the population. The mean is affected by the presence of extreme scores (outliers) which may not be typical of the sample (or population) as a whole. The mean is preferred when a distribution is symmetric and interest is centered on a score that represents all scores (Bowerman and O'Connell, 2007: 58).

The Mode

The mode is defined as the most frequently observed value. For grouped data, the mode is the most commonly observed category and for ungrouped data, the mode is the value which occurs most frequently (Howell, 2004: 79).

The Median

The median is the value that divides a frequency distribution in two equal parts (the distribution is arranged in ascending or descending order of magnitude). The median value is an appropriate indicator of central tendency when the distribution of points is skewed and when the most typical value is desired (typical is described as the middle point between the extremes) (Howell, 2004: 61).

The Standard Deviation

The standard deviation is defined as the root-mean-square-of-deviation-around-the-mean. The standard deviation for a sample can be expressed as the square root of the variance and is represented by s . The advantage of the standard deviation is that it is expressed in the same unit as the original variable (Howell, 2004: 79).

Analysis of Variance

Analysis of Variance (ANOVA) is a general technique that is used to test the hypothesis that the means among two or more groups are equal, under the assumption that the sampled populations are normally distributed (Howell, 2004).

Multivariate Analysis of Variance

Multivariate analysis of variance (MANOVA) is simply an extension of the ANOVA. In ANOVA, the task involves examining the one metric dependent variable with the grouping independent variable. However, when the dependent variables become more than one ANOVA fails to compare the group. To offset this scenario where multiple dependent variables are used, the Multivariate Analysis of Variance (MANOVA) is used (Howell, 2004).

3.8 Ethical consideration

According to Bowerman and O'Connell (2007: 146), there are several ethical issues that must be considered when designing research that will utilise participants who are human beings.

- The primary concern of the investigator should be the safety of the research participant. This is accomplished by carefully considering the risk/benefit ratio, using all available information to make an appropriate assessment and continually monitoring the research as it proceeds.
- The scientific investigator must obtain informed consent from each research participant. This should be obtained in writing (although oral consents are sometimes acceptable) after the participant has had the opportunity to carefully consider the risks and benefits and to ask any pertinent questions. Informed consent should be seen as an ongoing process, not a singular event or a mere formality.
- The investigator must enumerate how privacy and confidentiality concerns will be approached. Researchers must be sensitive to not only how information is protected from unauthorised observation but also if and how participants are to be notified of any unforeseen findings from the research that they may or may not want to know.
- The investigator must consider how adverse events will be handled in terms of who will provide care for a participant injured in a study and who will pay for that care as important considerations.
- In addition, before enrolling participants in an experimental trial, the investigator should be in a state of "equipose," that is, if a new intervention is being tested against the currently accepted treatment, the investigator should be genuinely uncertain which approach is superior. In other words, a true null hypothesis should exist at the onset regarding the outcome of the trial.

3.9 Validity and reliability

In designing the questionnaire as the tool to be used to collect data, the validity and reliability was considered. Cooper and Schiendler (2011: 87) express that there are three major criteria for evaluating a measurement tool i.e. validity, reliability and practicality. The same authors explain the criterions as follows:

- Validity refers to the extent to which a test measures what is actually wish to measure
- reliability has to do with the accuracy and precision of a measurement procedure
- practicality is concerned with the accuracy and precision of a measurement procedure
- including a wide range of factors of economy, convenience and interpretability (Cooper and Schiendler, 2011: 87).

The foregoing authors argue that reliability is a necessary contributor to validity but it is not a sufficient condition for validity. The authors further assert that reliability is concerned with estimates of the degree to which a measurement is free of random or unstable errors. In ensuring validity and reliability the questionnaire with the same type of a set of questions was provided to the employees of the North-West Parks and Tourism Board.

The instrument utilised in the study in a form of questionnaire was reliable and its validity can be proven due to the fact that the responses were obtained from the participants themselves. The answers provided measured the factual truth of the status of employees at the North-West Parks and Tourism Board.

3.10 Conclusion

The purpose of the research design phase is to fully explain the method of collecting data, of measuring instruments to be used and planned statistical methods to be used to analyse the data collected. The research design that was used to collect, analyse and interpret data, provides meaningful insight to the impact of employee turnover at NWP&TB, South Africa, which was forecast to the predictors and factors that lead to employee turnover in an organisation. A survey instrument (questionnaire) was used to collect data from respondents and the sample size comprised 80 respondents. From the 80 respondents only 65 responded and 63 were analyzable. The validity and reliability was considered when a questionnaire was designed to collect data. The target population includes employees working at North West Parks and Tourism Board in Mahikeng. Chapter 4 deals with data results and interpretations of results which is to transform the data collected into credible evidence about the development of the intervention and its performance.

CHAPTER 4

Data Analysis and Interpretation of results

4.1 Introduction

This chapter of the study conducts a thorough analysis of the data as well as the discussions of the findings. The remainder of the chapter is organised as follows. Section 4.2 presents the distributions of demographic items and employment-related items. The subsequent sections employ intermediate statistical methods to analyse the data with the sole aim of addressing the research objectives. This chapter closes with concluding remarks.

4.2 Distribution of Respondents

This section of the chapter examines the distribution of respondents on the basis of demographic and employment characteristics.

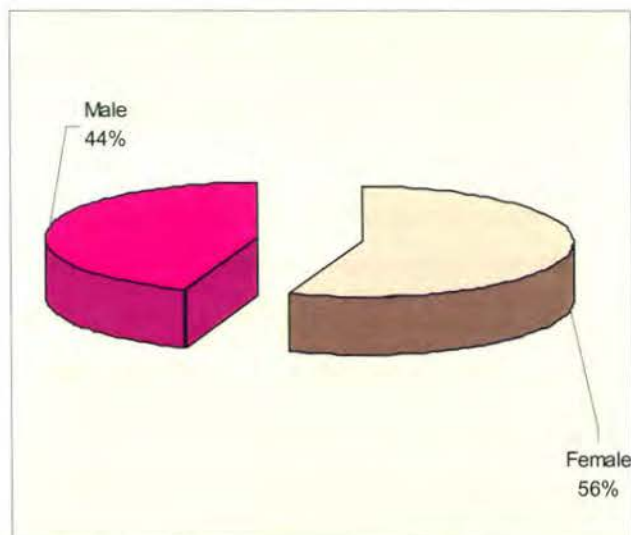


Figure 4.1: Distribution of Respondents in terms of Gender

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LIBRARY

Figure 4.1 presents a summary of how the respondents are distributed on the basis of gender. As observed from Figure 4.1, females constitute the bulk of the respondents with 56% whilst males constitute 44%. This may suggest that women are more inclined to leave an organisation and seek for better employment with other organisations based on affirmative action policy that promotes groups that were previously disadvantaged and women being part of that group or it may suggest that women are inclined to quit their jobs at childbirth and focus on family duties, rather than simply taking maternity leave.

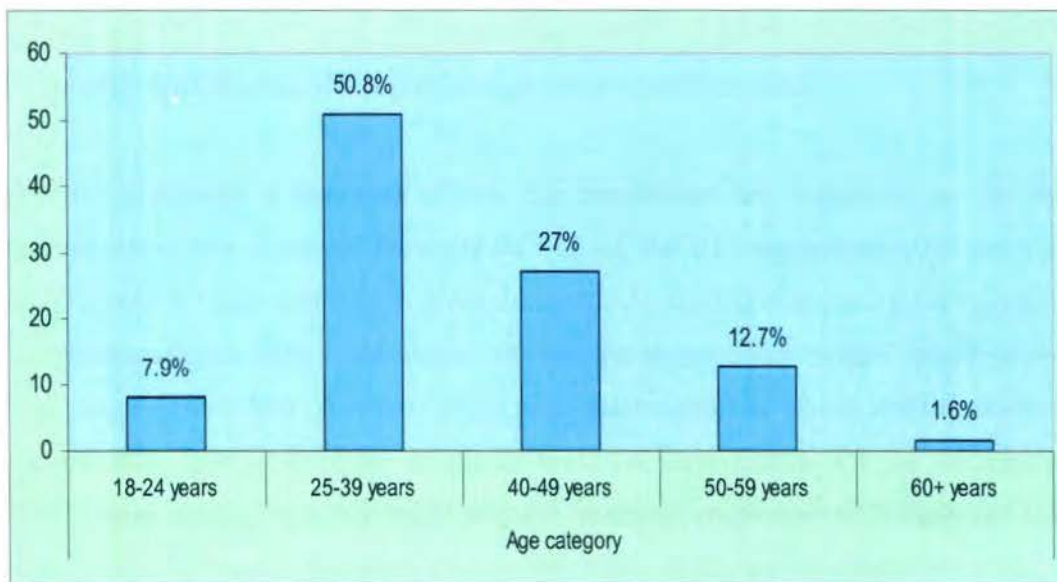


Figure 4.2: Distribution of Respondents in terms of Age group

Figure 4.2 presents a summary of how the respondents are distributed on the basis of age group. As observed from figure 4.2, of the 63 respondents 85.7% were under 50 years and the remaining 14.3% were above 50 years. As further observed from figure 4.2, of the 63 respondents 50.8% were between the ages of 25-39 years. This may suggest that employees between the ages of 25-39 may seek employment with other organisations that offer a better salary package. Of the 63 respondents 1.6% were 60 years and older, and this may suggest that experienced employees who are highly skilled might leave the organisation due to old age retirement that will have severe consequence on productivity of NWP&TB.

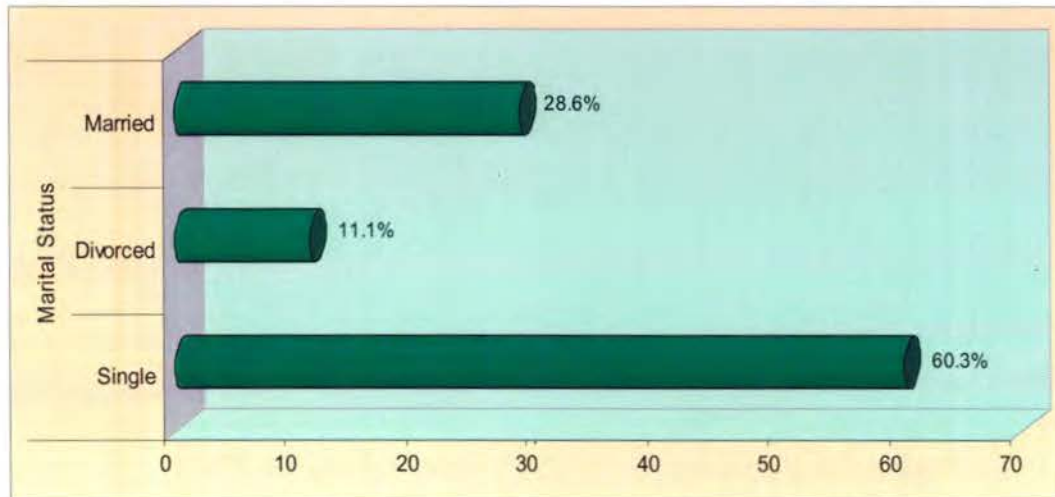


Figure 4.3: Distribution of Respondents in terms of marital status

Figure 4.3 presents a summary of how the respondents are distributed on the basis of marital status. As observed from figure 4.3, of the 63 respondents 60% were single, 28.6% were married and 11.1% were divorced. As further observed from figure 4.3, of the 63 respondents 60% were single. This might suggest that 'single' employees might seek employment that is more risky and challenging to pursue better employment opportunities and seek higher wages to build on their wealth. Of the 63 respondents 28.6% were married and this might suggest 'married' employees will likely not leave an organisation because of the need to provide a stable family environment and would not be willing to reallocate to another city or province to pursue other employment opportunities.

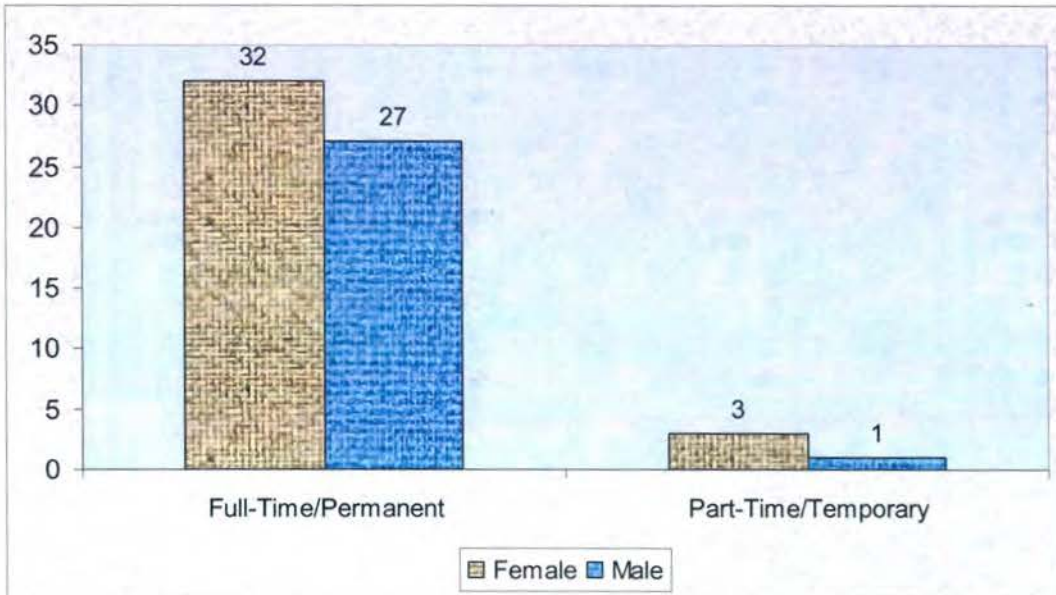


Figure 4.4: Distribution of Respondents in terms of type of employment

Figure 4.4 presents a summary of how the respondents are distributed on type of employment. As observed from figure 4.4, of the 63 respondents 93.65% were permanently employed, 6.35% were **part-time/temporarily** employed. As further observed from figure 4.4, majority of respondents were full-time/permanently employed.

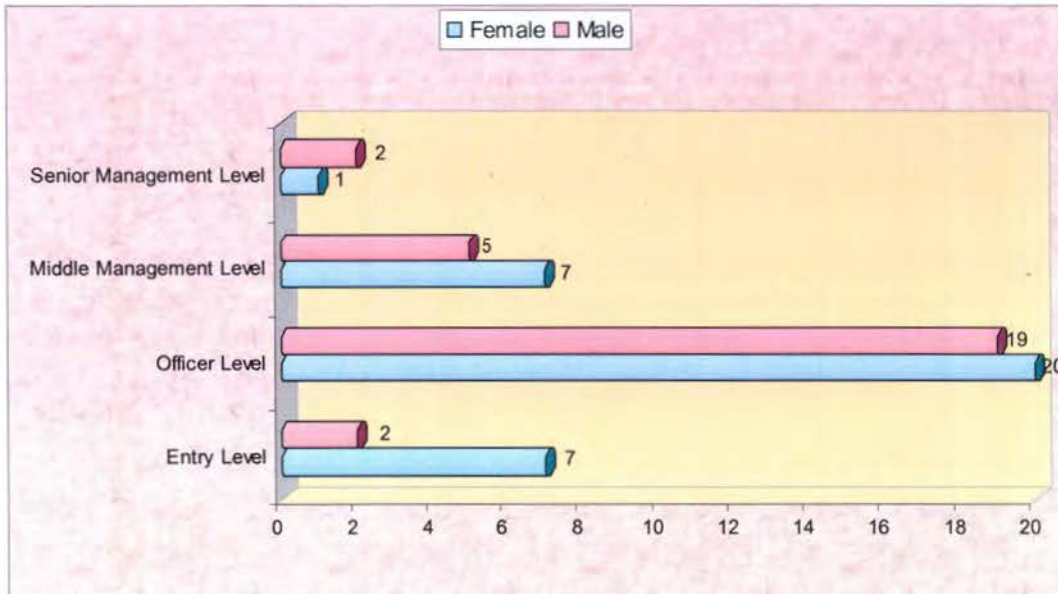


Figure 4.5: Distribution of Respondents in terms of level of work

Figure 4.5 presents a summary of how the respondents are distributed on the level of work. Of the 63 respondents 76.0% indicated their levels at work as ‘officer’ and ‘entry’ levels whilst 24.0% of respondents described their levels as ‘senior management’ and ‘middle management’. As further observed from figure 4.5, majority 62.0% of respondents were officers and this might suggest that ‘officer’ respondents were more likely to pursue better employment opportunities with other organisations, whilst the 24% of respondents who were ‘middle’ and ‘senior’ management are less likely to leave the organisation.

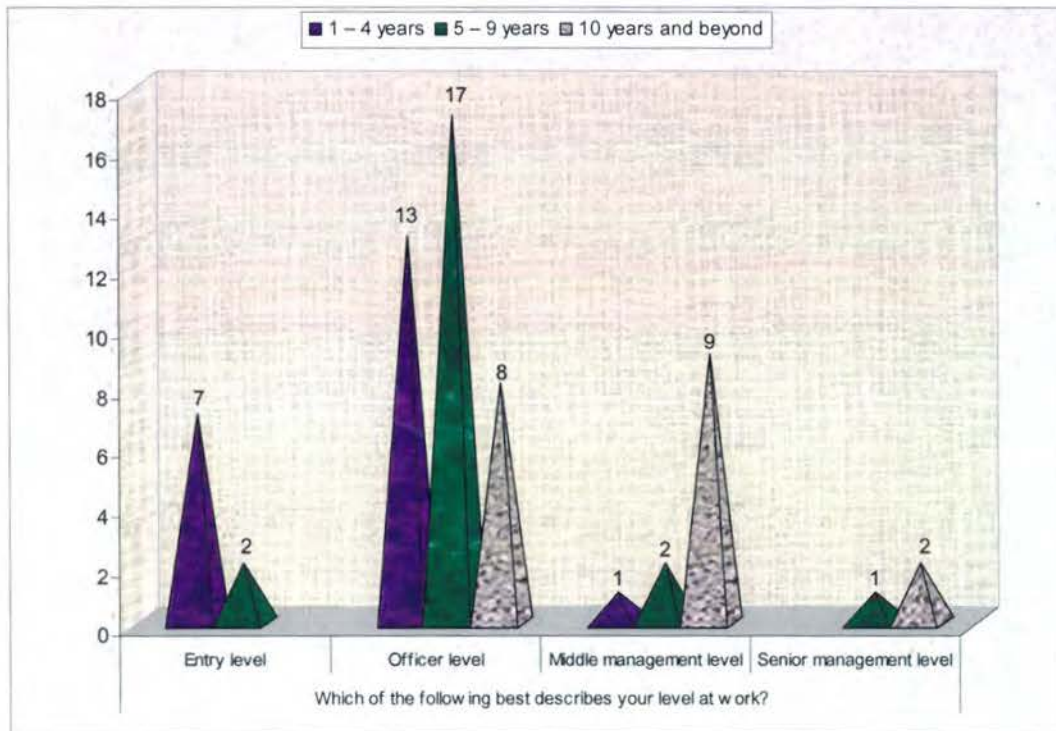


Figure 4.6: Distribution of Respondents in terms of years worked and level of work

Figure 4.6 presents a summary of how the respondents are distributed in terms of number of years worked and the level of work. Of the 63 respondents 27% respondents between the length of service years of 5-9 were working as officers and 21% of respondents of the length of service years of 10 years and beyond were working at officer level. This might suggest that employees working for more than 5 years for an organisation at officer level and were not promoted to middle management level will likely leave the organisation to seek better employment opportunities elsewhere. As further observed, of the 63 respondents, 14% of respondents have a service record of 10 years and beyond are working at middle management level.

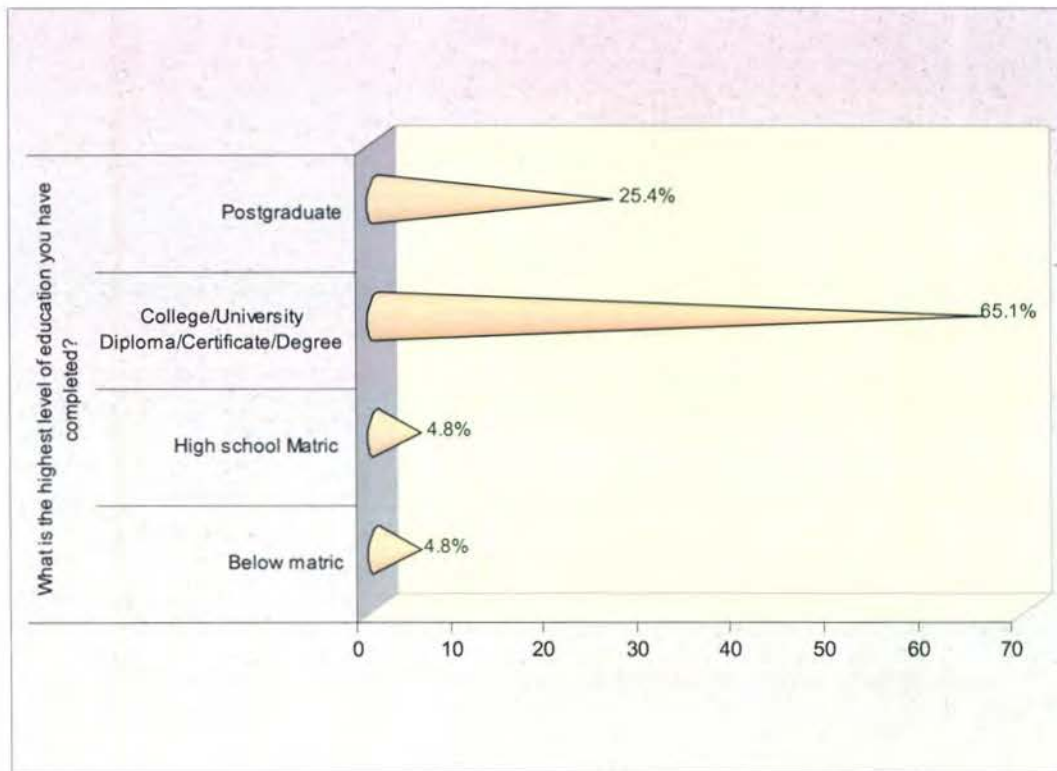


Figure 4.7: Distribution of Respondents in terms of level of education

Figure 4.7 presents a summary of how the respondents are distributed on the level of education. Of the 63 respondents, 65% indicated that they had a college/university diploma/certificate/degree while 25.4% had a postgraduate degree. The remaining 9.6% possessed high school certificates, or below. This might indicate that employees who have obtained a college/university diploma/certificate/degree or a postgraduate degree might seek employment with another organisation that might offer a better salary package. As further observed from figure 4.7, 9.6% of respondents that have obtained a high school matric certificate or below matric are more likely to remain with the organisation because of lack of employment opportunities with other organisations.

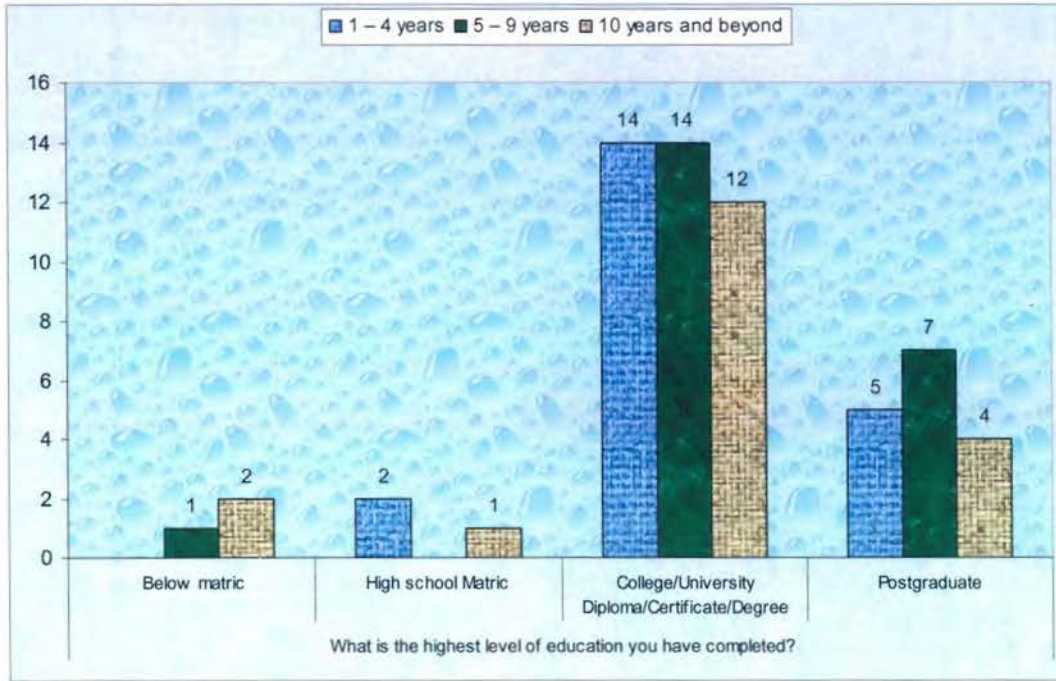


Figure 4.8: Distribution of Respondents in years worked and level of education

Figure 4.8 presents a summary of how the respondents are distributed in terms of number of years worked and the level of education. Of the 63 respondents, 44% were working between 1-9 years and had obtained a college/university diploma/certificate/degree. This might suggest that these employees who have accumulated the necessary working experience and have obtained a college/university diploma/certificate/degree are more likely to leave the organisation and seek better employment opportunities with other organisations or might probably start their own business with working experience they have accumulated over the years.

4.3 Knowledge and perception about employee turnover

Five questions were asked under this component of the questionnaire instrument, Knowledge and Perception about employee turnover, each of which was a 4-point scale. Table 4.1 presents the distribution of responses to the three questions.

Table 4.1: Knowledge and perception about employee turnover

	KNOWLEDGE AND PERCEPTION ABOUT EMPLOYEE TURNOVER							
	Agree		Strongly Agree		Not Sure		Disagree	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Employee's level of knowledge about employee turnover is good.	31	49.2	21	33.3	9	14.3	2	3.2
Employee turnover negatively affects the efficiency and effectiveness of an organisation	27	42.9	30	47.6	4	6.3	2	3.2
Employee turnover can positively affect the production of an organisation in terms of incompetent employees leaving the organisation	20	31.7	10	15.9	17	26.9	16	4.8
Employee turnover is a great indicator of lack of employee development in an organisation	22	34.9	29	46.0	6	9.5	6	9.5
Employee turnover causes relative damage to an organisation in terms of costs	35	55.6	19	30.2	4	6.3	5	7.9

Most 49.2% of the 63 respondents agreed that their level of knowledge about employee turnover is good with 33.3% strongly agreed. This indicates that respondents understood the concept employee turnover at NWP&TB. When respondents were asked to indicate whether employee turnover negatively affects the efficiency and effectiveness of an organisation, a greater percentage of 47.6% strongly agreed that employee turnover does negatively affect productivity of an organisation and only 3.2% disagreed. This indicates that employees agree that employee turnover impacts negatively on NWP&TB and that it can affect the productivity of an organisation. Respondents were asked to indicate whether employee turnover can positively affect the production of an organisation in terms of incompetent employees leaving the organisation, the larger group of 31.7% agreed and strongly agreed but 26.9% were not sure. This indicates that some of the

employees agree that employee turnover can assist in weeding out the incompetent or bad employees. Respondents were asked if employee turnover was an indicator of lack of employee development in an organisation, a greater percentage of 46% strongly agreed and 9.5% disagreed. This indicates employees of NWP&TB agreed that lack of employee development such as training will result in employees leaving the organisation.

Respondents were asked if employee turnover causes relative damage to an organisation in terms of costs, a greater percentage of 55.6% agreed and 30 % strongly agreed. This indicates that the majority of employees at NWP&TB agree that the employee turnover can be costly for an organisation and negatively impact the bottom line (profits) of the organisation.

4.4 Impact of employee turnover in an organisation

Respondents were asked some ten questions relating to the impact of employee turnover in an organisation. Table 4.2 illustrates the distributions of the responses to the questions relating to the impact of employee turnover in an organisation.

Table 4.2: Impact of Employee turnover

	IMPACT EVALUATION							
	Agree		Strongly Agree		Not Sure		Disagree	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Is employee turnover costly for an organisation?	32	50.8	23	36.5	2	3.2	6	9.5
Does employee turnover hamper the morale of other employees?	27	42.9	19	30.2	12	19.0	5	7.9
Does employee turnover disrupt the operations of an organisation?	26	41.3	28	44.4	3	4.8	6	9.5
Does employee turnover affect negatively on service rendered to its customers?	18	28.6	24	38.1	13	20.6	8	12.7
Does job satisfaction have significant impact on employee attitudes?	28	44.4	24	38.1	8	12.7	3	4.7
Does job insecurity lead to employee turnover?	25	39.7	28	44.4	7	11.1	3	4.8
Inadequate performance appraisal systems lead to employee turnover?	23	36.5	31	49.2	7	11.1	2	3.2
Can employee turnover be productive for an								

organisation?	29	46.0	9	14.3	13	20.6	12	19.0
Does employee turnover increase the administrative process	37	58.7	10	15.9	6	9.5	10	15.8
Does employee turnover cause a decline in the organisation's image	26	41.3	23	36.5	7	11.1	7	11.1

As the results reveal from table 4.2, a greater percentage 50.8% of the respondents agreed that employee turnover is costly for an organisation while 9.5% disagreed. The majority of respondents agreed that employee turnover is costly for an organisation. Respondents were asked if employee turnover does hamper employee morale, a significant percentage of 42.9% agreed and 30.2% strongly agreed. A great majority of respondents either agreed or strongly agreed that employee turnover does hamper the morale of other employees. Respondents were asked whether employee turnover disrupts the operation of an organisation, the larger group of 44 % strongly agreed and 41.3% agreed. A great majority of respondents either agreed or strongly agreed that employee turnover does disrupt the operations of an organisation.

Respondents were asked if an employee turnover negatively affects service rendered to its customers, the larger group of 38.1% strongly agreed and 12.7% disagreed. The majority of respondents strongly agreed that employee turnover negatively affects service rendered to its customers. Respondents were asked if job satisfaction had any great impact on employee attitudes, a significant percentage of 44.4% agreed and 4.7% disagreed. A great majority of respondents agreed that job satisfaction has a significant impact on employee attitude. Respondents were asked if job insecurity leads to employee turnover, the larger group of 44.4% strongly agreed and 4.8% disagreed. A great majority of respondents strongly agreed that job insecurity leads to employee turnover

Respondents were asked if an inadequate performance appraisal system led to employee turnover, a greater percentage of 49.2% strongly agreed and 36.5% agreed. A great majority of respondents strongly agreed that inadequate performance appraisal system led to employee turnover. Respondents were asked if employee turnover can be productive for an organisation, a larger group of 46% agreed and 19.0% disagreed. The majority of respondents agreed that employee turnover can be productive for an organisation.

Respondents were asked if employee turnover increases the administration processes, a greater percentage of 58.7% agreed and 10 (15.8%) disagreed. A great majority of respondents agreed that employee turnover increases the administration process. Respondents were asked if employee turnover causes a decline in an organisation's image, the larger group of 41.3% agreed and 36.5% strongly agreed. The majority of respondents agreed that employee turnover causes a decline in an organisation's image.

Table 4.3: Impact of employee turnover: Is employee turnover costly for an organisation?

		<i>Is employee turnover costly for an organisation?</i>			
		<i>Agree</i>	<i>Strongly agree</i>	<i>Not sure</i>	<i>Disagree</i>
<i>Which of the following best describes your level at work?</i>	<i>Entry level</i>	6	1	0	2
	<i>Officer level</i>	19	17	1	2
	<i>Middle management level</i>	6	3	1	2
	<i>Senior management level</i>	1	2	0	0
<i>Total</i>		32	23	2	6

As observed from table 4.3, the large group of 30% respondents at 'officer level' agreed that employee turnover is costly for an organisation and only a small percentage of 3% respondents disagreed. As further observed from table 4.3, a greater percentage of 3% respondents at 'senior management level' strongly agreed that employee turnover is costly for an organisation. This might suggest that employees at senior management level understand how costly employee turnover can be for an organisation. Senior management who are employees that are tasked with formulating policies and strategies that will improve operations of an organisation, strive to minimise the cost of an organisation.

Table 4.4: Impact of employee turnover: Does employee turnover disrupt the operations of an organisation?

		<i>Does employee turnover disrupt the operations of an organisation?</i>				
		<i>Agree</i>	<i>Strongly agree</i>	<i>Not sure</i>	<i>Disagree</i>	<i>Strongly disagree</i>
<i>Which of the following best describes your level at work?</i>	<i>Entry level</i>	4	3	1	1	0
	<i>Officer level</i>	13	21	1	4	0
	<i>Middle management level</i>	8	3	1	0	0
	<i>Senior management level</i>	1	1	0	0	1
<i>Total</i>		26	28	3	5	1

As observed from table 4.4: a greater percentage of 33% respondents at ‘officer level’ strongly agreed that employee turnover does disrupt the operations of an organisation and only small percentage of 6.3% respondents disagreed. As further observed from table 4.4, a greater percentage of 13% respondents at ‘middle management level’ agreed that employee turnover does disrupt the operations of an organisation. This might suggest that when an organisation experiences employee turnover this will disrupt the operations in terms that a great amount of workload for employees (officer level) that are left and if not properly managed this might disrupt the operations of an organisation. That means there will be production loss which can result in lost sales.

Table 4.5: Impact of employee turnover: Inadequate performance appraisal systems lead to employee turnover

		<i>Inadequate performance appraisal systems lead to employee turnover?</i>			
		<i>Agree</i>	<i>Strongly agree</i>	<i>Not sure</i>	<i>Disagree</i>
<i>Which of the following best describes your level at work?</i>	<i>Entry level</i>	4	5	0	0
	<i>Officer level</i>	15	21	3	0
	<i>Middle management level</i>	4	3	3	2
	<i>Senior management level</i>	0	2	1	0
<i>Total</i>		23	31	7	2

As observed from table 4.5, a greater percentage of 33% of respondents at 'officer level' strongly agreed that an inadequate performance appraisal system does lead to employee turnover and a small percentage of 5% of respondents were not sure. As further observed from table 4.5, a greater percentage of 6% of respondents at 'middle level management' agreed that an inadequate performance appraisal system does lead to employee turnover. This might suggest employees at officer level feel undervalued or are taken for granted by NWP&TB in terms of not developing a performance appraisal system that will compensate employees' excellent performance, thus possibly driving them to seek better employment with other institutions.

4.5 Conclusion

This chapter has focused on the analysis of the responses provided by participants. The female respondents were in greater number than males. The majority of respondents agreed that their level of knowledge about employee turnover is good and others strongly agreed. This indicates that respondents understood the concept employee turnover at NWP&TB. The majority of respondents agreed that employee turnover does have a negative impact on an organisation but at the same time a majority percentage of respondents agreed that employee turnover can result in a positive impact for an organisation when an incompetent employee leaves the organisation. A greater percentage of respondents strongly agreed that employee turnover is costly for an organisation and that it does disrupt the operations of an organisation. Summary of the findings and recommendations are considered in Chapter 5.

Chapter 5

Discuss, Conclusion And Recommendation

5.1 Introduction

The main purpose of this chapter is to present a summary of the findings emanating from this study and provide recommendations.

5.2 Theoretical Findings

Organisations that experience a high degree of turnover incur high level of financial costs and impacts negatively on the operations of organisations. A high degree of employee turnover negatively impacts the quality of services to its customers, which might result in loss of sales. The cost associated with training newly recruited employees and productivity loss that will occur due to new employees undergoing a steep learning curve might have an effect on both internal and external customers.

The indirect cost associated with employee turnover is that it affects the moral of other employees, workload on employees and might impact negatively on the productivity of the remaining employees. The operations of the organisation are usually disrupted when there is high employee turnover and this in turn may affect customer satisfaction. Organisations invest a large portion of capital on human capital because they have identified that the best way to gain a competitive advantage is to have a highly competent and stable workforce. When there is high employee turnover, an organisation will receive a negative return on investment and that will cause a decline in the image of an organisation.

The consequences of employee turnover can impact performance of organisations by disrupting the operations. Employee turnover can disrupt social and communication

structures, training and assimilation costs, decreased cohesion and members who stay in the organisation. Employees are trained by an organisation to be more skilled, but if there is no effective retention system put in place the organisation will lose those trained and highly skilled employees to other organisation.

Management strategy tends to focus on reducing costs associated with each employee by, for example offer low base salaries and engage in short term training. Management should start realising that employees are the life-blood of organisations and should design attractive salary packages and fully train its employees to postulate high employee satisfaction levels that in turn lead to sustained customer satisfaction, and ultimately affects customer loyalty and profitability.

High employee turnover can be a serious obstacle to productivity, quality, and profitability at organisations of all sizes. For the smallest of organisations a high turnover rate can mean that simply having enough employees to fulfil daily functions is a challenge. Service-oriented professions, such as management consulting or account management, high employee turnover can also lead to customer dissatisfaction and turnover. Customers are likely to experience dips in the quality of service each time their representative changes.

High employee turnover can sometimes be useful though employers who are poor interviewers may not discover that new employees actually are poor employees until after the employees have been on the payroll for several weeks. Rather go to the trouble and documentation of dismissing these underperforming employees, some organisations rely on turnover to weed out the bad employees.

5.3 Empirical Findings

Most of the respondents distributed on the basis of marital status out of the 63 respondents 60% were single. This might suggest that 'single' employees might seek employment that is more risky and challenging to pursue better employment

opportunities and seek higher wages to build on their wealth. The respondents distributed on type of employment out of the 63 respondents 93.65% were permanently/full-time employed. Of the 63 respondents 76.0% indicated their levels at work as 'officer' and 'entry' levels whilst 24.0% of respondents described their levels as 'senior management' and 'middle management. Most of the respondents had obtained a college/university diploma/certificate/degree and a small percentage had obtained a postgraduate degree.

49.2% of the 63 respondents agreed that their level of knowledge about employee turnover is good with 33.3% strongly agreeing. This suggested that the majority of respondents had understanding of employee turnover in an organisation. Further suggesting from observing our results is that respondents were highly educated because the majority had obtained a college or university diploma or degree which meant that had a better understanding of employee turnover. When respondents were asked to indicate whether an employee negatively affects the efficiency and effectiveness of an organisation, a greater percentage of 47.6% strongly agreed that employee turnover does negatively affect productivity of an organisation and only 3.2% disagreed.

Then respondents were asked if employee turnover can positively affect the production of an organisation in terms of incompetent or bad employees leaving the organisation, a significant percentage of 31.7% agreed but 26.9% of respondents were not sure. Respondents were asked if employee turnover was an indicator of lack of employee development in an organisation, a greater percentage of 46% strongly agreed and 9.5% disagreed. Respondents were asked if employee turnover causes relative damage to an organisation in terms of costs, a greater percentage 55.6% agreed and 19.30 % strongly agreed. An employee does relative damage to an organisation in terms of training cost lost when new employees leave an organisation. As the results reveal, a greater percentage of 50.8% of the respondents agreed that employee turnover is costly for an organisation whilst 9.5% disagreed. The cost associated with recruiting new employees after a loss of highly skilled employees is severely damaging according to the beliefs of the sample surveyed.

According to Swanepoel (2008: 20), when a good performing employee leaves it is costly in several ways. First, there is the loss of productivity just before the event and it continues until the replaced employee has achieved the same level of proficiency. Second, the investment into the employee's development is wasted. Third, it is hard to replace the employee with someone equal or better. For instance, the best programmers are ten to twenty times better than the worst ones in an organisation and they are very scarce.

Losing employees is a very costly exercise, the replacement costs include advertising, interviewing, orientating and training of new employees, decreased productivity until the new employee is up to speed and loss of customers who were loyal to the departing employee. Finding, recruiting and training the best employees represent major investment challenges. Once a company has captured talented people, the return on investment requires closing the back door to prevent them from walking out. Organisations are at war with each other in trying to attract and recruit talented people to the organisation

Respondents were asked if employee turnover does hamper employee morale, a significant percentage of 42.9% agreed and 30.2% strongly agreed. These suggest that it causes employees to be uncertain about their future with an organisation especially if involuntary turnover occurred to those who left the organisation. Respondents were asked whether employee turnover disrupts the operation of an organisation, a significant percentage of 44 % strongly agreed and 41.3% agreed. This suggest when the organisation experiences a high level of turnover this will affect the operations in terms of the loss of highly skilled employees. In turn a newly recruited employee will take one to six months to be fully productive .

When respondents were asked if employee turnover negatively affects the service rendered to its customers, the large group of 38.1% strongly agreed and 12.7% disagreed. This suggests that employee turnover can hamper negatively customer service which can result in customers becoming dissatisfied with the services and eventually leave the

organisation resulting in lost sales. Respondents were asked if job insecurity leads to employee turnover, the large group of 44.4% strongly agreed and 4.8% disagreed.

Respondents were asked if an inadequate performance appraisal system led to employee turnover, a greater percentage of 49.2% strongly agreed and 36.5% agreed. This suggests that if employees are not rewarded for excellent performance their motivation level will decrease significantly and that might result in them seeking for better employment opportunities. When respondents were asked if employee turnover causes a decline in an organisation's image, a significant percentage 41.3% agreed and 36.5% strongly agreed. This suggests that the high levels of employee turnover will result in an organisation losing its intangible assets and that its brand will be dented.

5.4 Comparison of Theoretical and Empirical Findings

The similarity of the theoretical and empirical findings of the study is that organisations that experience high degrees of turnover will incur high levels of financial cost and that will impact negatively on the operations of organisations. In turn, this will lead to a serious obstacle to the productivity of an organisation. The high levels of employee turnover will lead to customer dissatisfaction due to dips in the quality of service each time their representative changes which causes an increase in customer turnover.

In terms of involuntary turnover this can dampen the moral of employees who are left behind and might cause employees to feel insecure of their future with the organisation and in turn might prompt them to seek employment in other organisations. Employee turnover can sometimes yield positive results for an organisation. It is at times difficult to dismiss underperforming employees due to the stringent Human Resource policies, when an underperforming employee voluntary leaves it provides an organisation with an opportunity of hiring a skilled employee.

5.5 Recommendations

Organisations should encourage their employees to participate in advancement decisions because employee involvement decreases turnover intentions. When an employee sees a path of advancement in the organisation, the employee will less likely look towards the market for other employment opportunities. Employees are likely to leave the organisation if they do not fit in with the rest of workforce or the goals of the organisations are not properly aligned with the goals of the employee. The goals of an organisation should be aligned with that of employees to increase the productivity of an organisation.

Organisations should design affordable attractive salary packages that will attract most talented employees and thereby ensure that their talented employees are retained. Employees who feel that they are paid what they are worth will stay engaged for longer with an organisation. Employees can be retained longer in an organisation if proper development system are designed that will ensure the enhancement of skills levels of the workforce by sending them for continuous training to stimulate and improve the overall efficiency and effectiveness of organisation.

Teamwork, organisational culture, trust and customer focus increases employee commitment and reduces employee turnover. According to Swanepoel (2008: 17), job embedding comprises links, fit and sacrifice within the organisation and community. For example: an employee can be a mentor for others, thus high embeddings. The higher the embeddings, the lower turnover intentions would be. Job embeddings encourages and motivates employees to take ownership in the job assigned to them, and they will go an extra mile in ensuring the job is completed.

The best protection against career management mistakes is a sense of self-awareness. This entails being aware of one's career relevant strengths and weaknesses as well as how to correct these mistakes. It is a good idea to have a mentor, who can be a reflection on how others perceive one and discusses and exchange ideas on what elements of a job are

satisfying to one and what constitutes a healthy work–life balance. Look for industries where your skills represent a genuine asset.

If an organisation is to retain its employees, it will need to create an environment that enables its employees to advance their careers. This requires having transparent discussions with employees about their cognitive abilities, whilst also creating opportunity for employees to build equity. The availability of human capital has become important for the economic development in the emerging economies and developed economies. In a knowledge based network economy, human capital is crucial to secure sustained prosperity and competitiveness.

5.6 Conclusion

The study shows that the majority of employees have a high knowledge about employee turnover and they agreed that employee turnover has negative impact on efficiency and effectiveness of the organisation. The cost associated with employee turnover such as recruitment cost, orientation cost and training cost impacts negatively on an organisation. Employees agree that employee turnover disrupts the operation of an organisation. When an organisation loses a talented employee, more often than not newly recruited employees will need one to six months to be productive. The six months constitutes a productivity loss which represents an implicit cost for an organisation. The high levels of employee turnover will disrupt the service rendered to customers because it takes time for a new employee to be at his or her peak of performance when joining the organisation and the unfortunate part is that customers will be at forefront to experience dips in quality service rendered. The study shows that employee turnover has had a significant impact on NWP&TB in terms of the disruption in operations, and the consequences thereof was the implicit cost associated with loss in production.

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APPENDIX: SURVEY INSTRUMENT

The Impact of Employee Turnover in an Organisation: A Case Study of North-West Parks and Tourism Board in Mafikeng, South Africa

By Alpheaus Morweng Litheko

Good-day! I am a post-graduate student with the North-West University, Mafikeng Campus. As part of the requirement for my degree, I am requested to present a research project, the title of which is shown above. Please take your time to complete this short questionnaire. It is expected to take less than 5 minutes of your time. I appreciate your participation

Survey Instrument: Questionnaire

A. BIOGRAPHICAL DATA

A1. Please indicate your gender:

Female	
Male	

A2. In which of the following age groups do you fit?

18-24 years old	
25-39 years old	
40-49 years old	
50-59 years old	
60+ years old	

A3. Marital status:

Single	
Divorced	
Married	

A4. Type of employment:

Full-time/Permanent	
Part-time/Temporary	

A5. What is the highest level of education you have completed?

Below matric	
High school Matric	
College/University Diploma/Certificate/Degree	
Postgraduate	

A6. How long have you been working?

1 – 4 years	
5 – 9 years	
10 years and beyond	

A7. Which of the following best describes your level at work?

Entry level	
Officer level	
Middle management level	
Senior management level	

B. KNOWLEDGE AND PERCEPTION ABOUT EMPLOYEE TURNOVER

B1. Employee's level of knowledge about employee turnover is good.

Agree	
Strongly agree	
Not sure	
Disagree	
Strongly disagree	

B2. Indicate your level of perception of employee turnover in an organisation

Employee turnover negatively affects the efficiency and effectiveness of an organisation

Agree	
Strongly agree	
Not sure	
Disagree	
Strongly disagree	

Employee turnover can positively affect the production of an organisation in terms of incompetent employees leaving the organisation

Agree	
Strongly agree	
Not sure	
Disagree	
Strongly disagree	

Employee turnover is a great indicator of lack of employee development in an organisation

Agree	
Strongly agree	
Not sure	
Disagree	
Strongly disagree	

B3. Indicate your level of consequences of employee turnover in an organisation

Employee turnover causes relative damage to an organisation in terms of costs

Agree	
Strongly agree	
Not sure	
Disagree	
Strongly disagree	

C. IMPACT EVALUATION

Please rate the following statements according to your level of agreement in relation to the impact of employee turnover in an organisation.

	Agree	Strongly agree	Not sure	Disagree	Strongly disagree
Is employee turnover costly for an organisation?					
Does employee turnover hamper the morale of other employees?					
Does employee turnover disrupt the operations of an organisation?					
Does employee turnover affect					

negatively on service rendered to its customers?					
Does job satisfaction have significant impact on employee attitudes?					
Does job insecurity lead to employee turnover?					
Inadequate performance appraisal systems lead to employee turnover?					
Can employee turnover be productive for an organisation?					
Does employee turnover increase the administrative process					
Does employee turnover cause a decline in the organisation's image					

Thank you for participating in this study

APPENDIX: IMPACT OF EMPLOYEE TURNOVER – SUMMARY STATISTICS

	Mean	Std. Deviation	Variance
<i>Is employee turnover costly for an organisation?</i>	1.7143	.92333	.853
<i>Does employee turnover hamper the morale of other employees?</i>	1.9206	.97222	.945
<i>Does employee turnover disrupt the operations of an organisation?</i>	1.8413	.95388	.910
<i>Does employee turnover affect negatively on service rendered to its customers?</i>	2.1746	.99255	.985
<i>Does job satisfaction have significant impact on employee attitudes?</i>	1.7937	.90087	.812
<i>Does job insecurity lead to employee turnover?</i>	1.8095	.82025	.673
<i>Inadequate performance appraisal systems lead to employee turnover?</i>	1.8095	.75897	.576
<i>Can employee turnover be productive for an organisation?</i>	2.1429	1.22944	1.512
<i>Does employee turnover increase the administrative process</i>	1.8413	1.18057	1.394
<i>Does employee turnover cause a decline in the organisation's image</i>	1.9365	1.02977	1.060

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TO WHOM IT MAY CONCERN:

I hereby confirm that I have done a thorough language edit of
A M LITHEKO'S DISSERTATION: THE IMPACT OF EMPLOYEE TURNOVER IN AN
ORGANISATION: A CASE STUDY OF NORTH-WEST PARKS AND TOURISM BOARD

I confirm that I am registered with SATi (South African Translation
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