

VARIABLES INFLUENCING THE RETENTION OF DESIGNATED EMPLOYEES IN A PLATINUM MINE

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PREFACE

I hereby wish to express my sincere gratitude and appreciation towards the following persons and institutions for their contribution to this research project:

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SUMMARY

SUBJECT: Variables influencing the retention of designated employees in a platinum mine.

Key terms: Turnover, retention, designated employees, black empowerment, employment equity, equal opportunities.

Retention of key employees is becoming an increasingly important challenge faced by many organisations. With every employee that leaves the company, cost of recruitment and appointment, as well as training and development cost subsequent to that, are lost. The situation is aggravated by the fact that it is usually the higher performing employee who is more mobile from a career point of view, or the employee who has completed his/her training and who is more marketable, that is lost to the organisation.

To effectively retain workers, employers must know which factors motivate their employees to stay on and which factors cause them to leave. The general research objective was to determine variables that influence the retention of designated employees within a platinum mine.

A qualitative research design was used. Twenty four designated employees were selected randomly from the following occupations in the mining career path, namely Crew Captain in training, Crew Captain, Learner Official and Shift Supervisor. A qualitative measuring instrument, based on the phenomenological paradigm, was used to determine employees' perceptions of retention of designated employees. Content analysis was used to analyse, quantify, and interpret the research data.

The results indicated that designated employees are poached by competitor companies; that designated employees leave for better payment or benefits; that they value opportunities for growth and development; that the Crew Captain title, job content and job category cause employees to be unhappy; that designated employees leave after receiving training and development; that they do not feel valued or listened to; that they are unhappy with accommodation benefits and the bonus system; that they are managed by fear; that job security makes designated employees to stay; that they leave due to poor benefits; that they

are in general dissatisfied with the company; that work and safety conditions are good; that designated employees experience a lot of work pressure; that they value family responsibility; that designated employees with limited education stay; and that they experience racial discrimination.

Recommendations for future research are also made.

OPSOMMING

ONDERWERP: Veranderlikes wat die behoud van aangewese werknemers in 'n platinummy n beïnvloed.

Sleutelwoorde: Omset, behoud, aangewese werknemers, swart bemagtiging, indiensnemingsgelykheid, gelyke geleenthede.

Die behoud van sleutelpersoneellede is 'n toenemend belangrike uitdaging waarvoor baie organisasies te staan kom. Elke keer dat 'n werknemer die diens van maatskappy verlaat, lei dit daartoe dat die werwings- en aanstellingskoste asook die opleidings- en ontwikkelingskoste wat daarop volg, ingeboet word. Die situasie word vererger deur die feit dat dit gewoonlik juis die werknemer is wat uit 'n loopbaanoogpunt meer beweeglik is, of die werknemer wat reeds sy/haar opleiding voltooi het en dus meer bemarkbaar is, wat die organisasie verlaat. Werkgewers moet deeglik bewus wees van watter faktore werknemers beïnvloed om in diens van die maatskappy te bly en watter faktore veroorsaak dat hulle bedank. Sodoende sal 'n werkgever kan sorg dat hy sy werkers suksesvol behou. Die algemene navorsingsdoelstelling was om vas te stel watter veranderlikes die behoud van aangewese werknemers in 'n platinummy n beïnvloed.

'n Kwalitatiewe navorsingsontwerp is in die studie gebruik. Vier-en-twintig aangewese werknemers is lukraak uit vier posvlakke wat in die mynbouloopbaan gevolg kan word, gekies, naamlik Spankaptein in opleiding, Spankaptein, Leerlingamptenaar en Skoftoesighouer. 'n Kwalitatiewe meetinstrument wat op die fenomenologiese paradigma gebaseer is, is gebruik om vas te stel wat die werknemers se persepsies van die behoud van aangewese werknemers is. Inhoudsanalise is gebruik om die navorsingsdata te analiseer, te kwantifiseer en te interpreteer.

Die resultate het aangedui dat aangewese werknemers deur mededinger-maatskappye geteiken word; dat die aangewese werknemers die maatskappy verlaat vir beter vergoeding en voordele wat hulle elders anders kan kry; dat hulle baie waarde aan groei- en ontwikkelingsgeleenthede heg; dat die Spankaptein-titel, posinhoud en poskategorie heelwat ontevredenheid by werknemers veroorsaak; dat aangewese werknemers die maatskappy

verlaat nadat hulle opleiding voltooi is; dat hulle nie gewaardeer voel nie en voel dat daar nie na hulle geluister word nie; dat hulle ontevrede oor die behuisingsvoordele en die bonusstelsel voel; dat hulle deur vrees bestuur word; dat werksekuriteit veroorsaak dat aangewese werknemers nie bedank nie; dat hulle bedank as gevolg van swak voordele; dat hulle oor die algemeen ontevrede met die maatskappy is; dat werk- en veiligheidsomstandighede goed is; dat die aangewese werknemers onder baie werksdruk verkeer; dat hulle 'n hoë premie op gesinsverantwoordelikheid plaas; dat aangewese werknemers wat slegs beperkte onderrig en opleiding het in diens van die maatskappy bly; dat hulle onder rassediskriminasie gebuk gaan.

Aanbevelings word ook vir toekomstige navorsing gemaak.

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CHAPTER 1

INTRODUCTION

This research deals with variables influencing the retention of designated employees in a platinum mine.

In this chapter the problem statement, the aim of the research and the research method are discussed. The division of the chapters is furthermore presented.

1.1 PROBLEM STATEMENT

The nature of the “old” psychological contract between the worker and his/her employing organisation is changing. This change simply implies that employees’ loyalty is also on the decline. As a result of this, key employees are becoming more assertive in making their demands on employers or looking elsewhere for employment. Retention of key employees is becoming an increasingly important challenge that many organisations have to face.

Levin, Mor Barak, and Nissly (2001) found that in order to effectively retain workers, employers must know which factors motivate their employees to stay and which factors cause them to leave. They also need to understand whether these factors are associated with worker characteristics or with the nature of the work process, the latter over which they may have some control.

Before determinants of the retention of skilled workers can be identified, the reasons for turnover must be known. Two types of turnover occur: firstly the unavoidable and secondly the avoidable. The first type is beyond the employees' control e.g. job transfer of a spouse (Mengel, 2001).

According to Mengel (2001) a study by Harvard University indicated that nearly 80% of turnover is due to hiring mistakes and that turnover can be avoided if the following retention strategies are in place: hiring the right people; analysis of the core competencies required for a position will help with better preparation to conduct a behavioural-based interview; well-

executed orientation programmes; job specific training when required; provision of growth opportunities; aligning competencies with contribution; assessing motivators beyond the pay cheque; immediate, appropriate and personal rewards; allowing employees to help solve problems; practice what you preach and always conduct an exit interview.

Exit interviews can provide a company with an early alert to internal problems. With a professional system in place valuable information can be collected. If reasons for departure are known it may uncover patterns or reveal trends that, when addressed, may help prevent further turnover (Baxter, 2001; Mengel, 2001).

Both the organisation and the individual can have an influence on turnover. Organisational factors such as job category, organisation size, job content, management style, centralisation, hiring and induction processes may influence turnover. Individual factors such as age, gender, job satisfaction, career aspirations, expectation to get a new job and stress can also influence labour turnover as was found in a number of studies: "Few twenty-something's are interested in lifetime employment plagued with uncertainty, many anticipate working two to four years for an employer before shifting to another opportunity" (Herman, 1997, p. 15). Levin et al. (2001) also state that employees who are more likely to leave the company are those who are younger, better educated employees and employees with shorter length of service than those with long service records. The level of education is related to turnover only in the case of employees holding midlevel positions. Those with highly specialised skills and those with limited education tend to remain (Levin et al., 2001).

Organisations that have effective development programmes in place tend to be more successful in retaining employees. Employees do not leave organisations when they feel that they are being developed. Talented individuals are interested in receiving training and therefore opportunities to develop competencies that will be useful to them in the future and training is regarded as one of the most effective ways of rewarding and retaining staff (Simpson, 2002; Vincola, 2001). This can be seen as a two-way street where the company benefits from better-qualified employees, and the employee gains an extra qualification/skill that will be beneficial in his/her present and future position and career.

Vincola (2001, p. 33) also states that "Younger workers, in particular, have a desire for information and continually look to add their skills, especially technology skills. As such,

they will look for employers committed to lifelong learning." In order to satisfy employees' career aspirations it is important that the career path should answer to the employee's aspirations.

Availability of and demand for skilled workers/employees also have substantial influence on labour turnover: "Under nearly all conditions the most accurate single predictor of labour turnover is the state of the economy" (Mobley, 1982, p. 83). If the demand for skilled workers exceeds the availability, the risk is greater that a competitor company will tend to poach employees, which lead to greater labour turnover. Therefore organisations need to review their competitiveness within the relevant job market on a regular basis (Mobley, 1982). According to the research of Kinnear and Sutherland (2000), the findings confirm that financial rewards and recognition are primary motivators. Research done by Gupta and Mitra (1998) also proved that financial incentives are powerful factors in retaining employees. Kohn (1998) (as quoted by Gupta and Mitra, 1998) proposes three steps on how to remunerate people: pay them well, fairly and then do anything possible to take money of their minds.

Thus money does matter but it is not the only factor that matters. According to Gupta and Mitra (1998) the challenge is to design effective incentive systems. Arnott and Russo (2001, p. 52) argue that "In the old days people worked for money to get by, to support their families. Now people work for challenge, fulfilment and meaning." People want to do something worthwhile. Maslow's hierarchy of needs still applies today where feelings of belonging (the third level of human needs) and recognition (part of the ego need) exist.

According to Kinnear and Sutherland (2000) organisations have traditionally retained employees through loyalty and a long-term view of employment with the company. It is important that employees can make a direct relation between their work and the company's mission. If employees can see the bigger picture and what value they are adding, they are more likely to feel wanted and more committed. The workplace must be as challenging and pleasant as possible a place to work in. Vincola (2001) also mentions that in order to recruit and retain talent organisations need to look at the employee as a "whole person" and not just the "work person".

High turnover cuts deeply into an organisation's operating budget and profit summary: "To manage turnover effectively, corporations must monitor not only the extent of turnover but also its costs" (Griffeth & Hom, 2001, p. 2). Turnover cost is more than just employee replacement cost, such as for recruiting and training, but includes the hidden costs of lost revenue and lower productivity which is the largest cost of turnover. Direct cost includes advertising, hiring, processing info, orientation and training, overtime to cater for workload and loss of production. Indirect cost includes loss of clients, a low morale of employees, rising negative reputation of high turnover, management stress and loss of team spirit.

According to Griffeth and Hom (2001) turnover cost can be divided into three categories:

- Separation cost: cost directly produced by quits, such as exit interviews expenses, administrative and paperwork cost of removing the leaver's name from payroll records, disbursement to leavers of separation benefits such as unused vacation time and production lost.
- Replacement cost: advertising, screening, interviewing and selection for vacant positions.
- Training costs: orientation and training for new replacements.

These turnover costs are often not included in calculations and according to Rich (2002, p. 45) that is why "...companies have not declared an all-out war on unwanted employee turnover".

Rust and Steward (1996) found that the estimated separation, replacement and training costs are 1,5 to 2,5 times the annual salary for each person who quits. McCarter and Schreyer (2000, p. 75) report that "replacement costs for employees are running in the neighbourhood of 50% or more of a candidate's first year salary". According to Kaye and Jordan-Evans (1999) replacing key people runs between 70 and 200 percent of the person's annual salary.

Rich (2002) states that the starting point in calculating turnover cost is to target the positions that contribute the most to turnover costs and the following two factors should be considered in identifying these positions:

- Positions that have the highest rate of turnover
- Positions that have the greatest effect on the bottomline (e.g., high replacement cost due to long learning curves and replacements difficult to find).

Rich (2002) stresses that positions, which have the highest turnover rate, do not necessarily have the highest cost.

When calculating the actual cost of turnover, the following types of costs should be kept in mind (Rich, 2002):

- Direct costs are the cost of replacing an employee and include recruiting, training, agency and overtime costs.
- Opportunity costs include lost revenue due to lowered productivity because of less experienced new employees or unfilled open (vacant) positions.
- Indirect costs are associated with lower growth rates, loss of organisational knowledge and time spent addressing turnover-related issues. These costs are more difficult to quantify and are most of the time not included in calculating turnover cost (Rich, 2002).

The platinum mine which the research is associated with is in the business of mining, beneficiating and marketing of platinum group metals, copper and nickel. It is one of the largest international platinum producers and employs approximately 27 000 people. At the beginning of January 2001 the mine incurred severe losses and it was noted that turnover of designated key employees (Crew Captains) was 31%, which is an unacceptably high rate.

Several factors influence this high level of turnover. One of the major factors is the growth and expansions in the Platinum Industry, which create greater opportunities for lateral career mobility. This resulted in labour shortages, which had enormous cost implications for the company and lead to impaired organisation effectiveness.

From turnover statistics it was found that the two main reasons for leaving were discharge in absentia (deserted) and resignation (better offer). To a lesser extent other reasons for turnover were deaths, disciplinary dismissals, leave overstay and incapacitation. Since most of the

employees at this level were discharged in absentia it was not possible for the company to conduct exit interviews with them.

Although Crew Captains' salaries were adjusted to be market related the high turnover still continued. Therefore it is crucial for the company to determine the real reasons for turnover in order to establish a strategy to retain these critical skills. The implication of not attending to the high turnover will be even higher turnover, more lost blast, poor efficiencies and a decline in safety.

As required by the Employment Equity Act (EEA) [South Africa (Republic), 1998], the company has set targets (five year plans) to align itself with the demographics of the region. The purpose of the EEA is to achieve equity in the workplace, by

- (a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination, and
- (b) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups and to ensure their equitable representation in all occupational categories and levels in the workforce.

The following principles were laid down in the company as part of the strategy to implement training and development interventions in order to support the Employment Equity Plan:

- Only suitable qualified employees who meet the inherent requirements of the job will be appointed/promoted.
- All designated employees identified for higher positions will be properly trained and developed as part of skills development.
- Preference will be given to designated employees for appointment in higher positions.
- Several designated employees need to be developed for a targeted position.
- Quality of positions is not to be sacrificed.

From the above principles it is evident that a lot of effort and time is spent on the identifying and development of designated employees. A further challenge is that it takes approximately seven years to train an employee to become a Mine Overseer and it is company policy that no incompetent person will be appointed.

Since most Crew Captains are Black males (designated employees) they are over-represented at this level (99%) while most Shift Supervisors (79%), Mine Overseers (98%) and Operations Managers (91%) are White males, which result in under-representation of designated employees on these levels.

Below are guidelines on the company's mining career path, statistics on designated employees' movement and its potential pools:

- **Career path:**

In the platinum mining production environment the key employees are Crew Captains (mainly designated employees), which is the first level of supervision in the mining production career path. The next level is Shift Supervisor followed by Mine Overseer and Operations Manager.

- **Statistics:**

An unacceptable high turnover of Crew Captains has been reported since 2000. From the Business Plan versus Actual Crew Captains in service it is evident that there is a major shortage of Crew Captains and the turnover increased from 129 (8%) in the Financial Year (FY) 1998-1999 to 493 (31%) in FY 1999-2000. These shortages have a costly impact of ± R60 million per annum.

To become a Crew Captain an employee must be in possession of a Blasting Certificate. Blasting Certificate training is being conducted in-house and only an average of 13 employees can obtain certificates (be passed out) per month.

Seeing that there is an over-representation of designated employees on this level no Employment Equity targets were set.

- **Potential pools:**

With the high turnover at Crew Captain level it is difficult to establish a potential pool with highly competent employees from where employees can be promoted to the next level (Shift Supervisors) in order to achieve targets set in the Employment Equity Plan.

According to the Employment Equity Plan a “pool” of roughly 30 designated employees need to be ready for promotion on an annual basis. The question is how to retain these employees until they will be ready for promotion.

A popular view is that Employment Equity legislation creates the opportunity for designated employees to change jobs continuously in search of more attractive packages. A study by Mathebula (Wentzel, 2002) however found that this is not true. Feelings of being insignificant and the informal denial of feelings and differences seem to be the cause for the turnover among black managers.

From the above it is evident that the problem lies with the Crew Captains' turnover. Without a high quality and quantity Shift Supervisor potential pool the company will not be able to achieve its targets set. Resignation of non-designated employees creates an opportunity to advance competent designated employees. Therefore identified potential designated employees must be aware of the fact that they have been earmarked for higher positions. Development plans should be in place and regular feedback should be provided to them.

It is also crucial that identified potential Crew Captains show aspiration to become Shift Supervisors or Mine Overseers. If aspiration does exist and the company does not answer to it, the employee may seek employment elsewhere.

Seeing that the Crew Captain's position is a midlevel job at the bottom of the mining career path, it can be concluded that most Crew Captains are still young, have less family responsibilities and are therefore more transferable.

Although turnover may be affected by various factors, information is lacking on the reasons for the high rate of turnover in the organisation. While exit interviews provide some of the reasons for the high turnover, research should be undertaken to provide further details.

The following research questions could be asked based on the above-mentioned problem statement:

- What is meant by retention and which factors may influence retention of employees?
- Which variables influence retention of designated employees in a platinum mine?
- Which recommendations can be made to retain designated employees?

1.2 AIM OF THE RESEARCH

This research includes general and specific objectives.

1.2.1 General aim

With reference to the above formulation of the problem, the general objective of this research is to identify the variables that influence the retention of designated employees in a mining production environment within a platinum mine.

1.2.2 Specific objectives

The specific research objectives are as follows:

- To define what is meant by retention and to determine which factors may influence retention of employees.
- To identify variables that influence retention of designated employees in a platinum mine.
- To make recommendations on how to retain designated employees.

1.3 RESEARCH METHOD

The research consists of a literature review and an empirical study.

1.3.1 Phase 1: Literature review

The literature review will focus on the determinants of retention of skills by reviewing reasons for turnover.

The following databases have been consulted:

- Library
- South African journals
- Internet
- Ebsco host

1.3.2 Phase 2: Empirical study

Phase 2 consists of the following:

1.3.2.1 Research design

The purpose of the research design is to structure the research project in such a way that internal and external validity of research results can be maximised (Mouton & Marais, 1992).

To improve validity Malterud (2001) suggested procedures and principles such as triangulation, respondent validation, clear detailing of methods of data collection and analyses, reflexivity, attention to negative cases, and fair dealing.

This research is qualitative in nature where interviews based on the phenomenological method are used.

Qualitative research methods involve the systematic collection, organisation, and interpretation of textual material derived from conversations and observation (Malterud, 2001). Qualitative data is collected through observation, interviews, documentation and material produced by others. The process involves managing of data (preparing/storing), describing of data (coding), digging deeper (interpretation) and presentation of the data: "The aim of qualitative research is to explore underlying social processes and values in their

particular social context, to lay open the individuals' experiences and inferred meanings" (Froggatt, 2001, p. 433). It is important to explain how meaning has been arrived at so that the contextual worth of the study and its underlying theoretical perspective can be judged.

1.3.3 Participants

The target population comprises designated employees in Crew Captain training (N=191), designated learner officials in training (N=17), Crew Captains that have been identified as potential Shift Supervisors (N=79) and designated Shift Supervisors that have been identified as potential Mine Overseers (N=18). Relevant criteria for selection include that the candidate must be English literate with at least a ABET level 3 certificate, must be willing to participate in a lengthy interview, must be able to verbalise about his experiences, and must agree to be tape-recorded.

1.3.4 Data collection

A qualitative data collection method (interviews) based on the phenomenological approach is adopted in this research.

Phenomenology is the science of describing what one perceives, senses and knows from one's immediate awareness and experience. According to Moustakas (1994) the aim is to determine what an experience means for the persons who have had the experience and are able to provide a comprehensive description of it. From this meaning is derived.

In this study the researcher focuses on a specific topic in a fresh and naïve manner. She starts off by providing background information about herself and the interview. The aim is to create a relaxed and trusting atmosphere in which the participant will feel comfortable and will respond honestly. A lengthy person-to-person interview is conducted and recorded. The questions are formulated in such a way that it is understandable to others. The key words must be defined and clarified to ensure that the intent and purpose of the investigation is evident. The interview involves an informal, interactive process and utilises open-ended comments and questions (Moustakas, 1994).

Rust and Stewart (1996) state that collecting qualitative data limits the amount of bias introduced by management perceptions about employee satisfaction and that standardised questionnaires/questions based on management's ideas often fail to measure important dimensions of satisfaction accurately.

1.3.5 Data analysis

The phenomenal analysis includes horizontalising the data and regarding every statement relevant to the topic as having equal value. From the statements the meaning is listed and clustered into common themes. The themes are used to develop the textural descriptions of the experience.

1.4 CHAPTER DIVISION

The chapter division is as follows:

Chapter 1 – Introduction

Chapter 2 - Factors influencing retention

Chapter 3 - Empirical study

Chapter 4 - Results and discussion

Chapter 5 – Conclusions, limitations and recommendations

1.5 CHAPTER SUMMARY

In this chapter the problem statement regarding the retention of designated employees in a platinum mine, the aim of the research and the research method were discussed. The division of the chapters of this mini-dissertation was also presented.

In the next chapter the results of the literature study regarding the factors that influence retention are presented.

CHAPTER 2

FACTORS INFLUENCING RETENTION

In this chapter the factors that may influence retention will be discussed. Firstly, the meaning of retention and the relation to turnover will be described. Secondly, the distinction between voluntary and involuntary turnover will be drawn. Thirdly, factors that drive voluntary turnover and influence retention will be discussed. Furthermore reasons why employees leave an employer and the reasons why employees stay on will be dealt with as factors influencing retention. Lastly, the general reasons why employees remain or quit will be listed.

2.1 DESCRIPTION OF RETENTION AND TURNOVER

Retention of skills implies keeping in employment those employees of which the organisation has a positive evaluation and who would normally voluntary resign (the avoidable quits). Before determinants of the retention of skills can be identified, the reasons for turnover must be established (Mengel, 2001).

One also needs to distinguish between voluntary and involuntary turnover.

2.2 TURNOVER: VOLUNTARY VS. INVOLUNTARY

Voluntary turnover occurs when employees freely choose to leave the job. Involuntary turnover represents employer-initiated job separations over which leavers have little or no say, as is the case with dismissals or lay-offs. There is no doubt that turnover cannot be wholly eliminated. Unavoidable quits represent those employee separations that employers cannot control, such as terminations due to childbirth, full-time care for relatives, family moves, acute medical disability and death (Griffeth & Hom, 2001).

Most employees own the tools of their trade - their knowledge - which they can readily pack up and move from employer to employer (O'Malley, 2000). Griffeth and Hom (2001) also

mention that leavers may influence the employees who stay behind to follow them. Therefore it is of importance to address the issue of retention.

Turnover is not always undesired; a certain amount of turnover can be healthy, for new employees contribute new ideas, abilities and attitudes as well as keep organisations from stagnating. Vacating employees can increase promotional opportunities for other employees or can infuse new ideas and technology when new employees replace those who have left (Griffeth & Hom, 2001). It also must be noted that successfully hiring peak performers does not guarantee that a company will retain employees forever. Branham (2001, p. 5) confirms this when he notes that "Achieving zero percent turnover is neither realistic nor desirable."

Griffeth and Hom (2001) state that the single best predictor of turnover is found in an employee's intention to quit the job. Employees, who express strong intentions to leave, eventually do leave. Recent research has shown that shock can prompt employees to quit, even those who are satisfied with their jobs (Griffeth & Hom, 2001). This point is also confirmed by O'Malley (2000, p. 21) who states: "Turnover is an evolutionary process by which employees gradually discover (some more quickly than others) what the organisation is like and what kind of relationship they are in - and they make a choice accordingly to stay or leave. The decision is a product of numerous experiences, the final one of which may be the last straw or the one that pushes employees over the edge."

The old human resources management goal to minimize overall employee turnover needs to be replaced by a new goal, namely to influence who leaves and when they are leaving. Branham (2001) states that companies should focus on keeping employees who they can least afford to lose by tracking the "avoidable turnover rate" and to determine how to retain these employees.

2.3 FACTORS THAT DRIVE VOLUNTARY TURNOVER AND INFLUENCE RETENTION

The literature on retention is extensive. There is no single factor influencing retention; there are several which operate interactively. The same goes for voluntary labour turnover. Turnover is mainly the result of an interaction between the characteristics of the individual,

the organisation and economy. Before organisations can retain employees the cause of employees leaving must be known as well as what causes employees to stay on at a company. Seeing that retention of skills aims at keeping employees who voluntarily resign (the avoidable quits), this section will concentrate further on possible reasons why these employees terminate their services and why others do stay on at the company.

2.3.1 Financial rewards

2.3.1.1 Salary/payment

O'Malley (2000) states that most employees leave as a result of money; not lack of commitment and most good employees who look for other work can find a position that pays better. McCarter and Schreyer (2000) also state that over 60% of employees' reason for leaving was compensation. Dibble (1999, p. 96) states that "Surveys of pay practices report that employers consider compensation (and benefits) an important and often the most important part of their retention strategy." One wonders whether this is really always the case, because O'Malley (2000, p. 19) puts forward the following argument: "In exit interviews, money serves as the perfect, harmless rationale that leaves everybody smiling. Who wouldn't leave for more money?"

On the other hand, if companies pay below competitive levels, the chances of reducing turnover are slim (Dibble, 1999; Rich, 2002). Michaels, Handfield-Jones, and Axelrod (2001, p. 89) also mention that "to win in this new market you can't play compensation by the old rules. You have to ask yourself two important questions: How much will it take to get them? And how much value will this person create for my business?" They further suggest that the organisation may have to increase the top end of the range, or creatively use signing bonuses and other perks to raise compensation without disrupting the salary structure.

Dibble (1999) states that employers should consider the following when paying salaries and wages:

- Pay according to the market.
- Pay for assigned responsibilities.

- Pay for core competencies.
- Pay the person, not the job.

Michaels et al. (2001, p. 55) state that "In the past people were paid according to the desk they sit at. When they moved up a pay grade, their salary rose to that specific point. Today, talented managers expect to make a lot of money, and they want it sooner rather than later." But Kaye and Jordan-Evans (1999, p. 144) argue that "...money alone won't keep them on your team".

2.3.1.2 Incentives

Direct financial rewards include base salary, cash incentives and stock; whereas indirect financial rewards include employee benefits, non-cash recognition and work/life balance. If employers want to pay for different types of performance with different types of pay, then incentives can fit in with base pay, merit increases, and gainsharing (Dibble, 1999). Incentives are a method of pay, which have an advantage over most other pay practices. If the goal is not achieved the money is not paid. However, Bussin (1994) warns that basic salary is important and should not suffer at the expense of an incentive scheme.

Therefore incentives can be used as a motivational tool to retain employees: "...money can be an effective motivator under some circumstances. It can be a powerful method of retaining employees when we use it narrowly, selectively and for short-term goals" (Dibble, 1999, p. 101). Bussin (1994) and Woodruffe (1999) also state that employers must provide incentives if they want to hold on to talented employees. Incentives and benefits have a significant effect on retention and it affects all the employees. Specific employees cannot be picked out to receive certain benefits and benefits cannot help retain only the employees the company wants to keep, but organisations need to be competitive with their benefits when recruiting employees.

According to Dibble (1999) annual incentives plans are a useful part of the overall pay strategy, but are too low to retain employees, whereas project completion incentives and stock options are two cash incentives that do have the potential to retain employees. Project incentives target the employees the organisation wants to retain and stock options can make

employees rich or they may be worth nothing. Stock options are useful in retaining employees for a limited period of time only. In the past stock options were only available to executive level employers, but today stock options have become standard in many compensation packages and are offered to more and more employees (Chambers, 2001; Dibble, 1999).

Chambers (2001, p. 234) states that "In the past, hiring incentives were rare, today they are commonplace. The health of the economy and the dwindling availability of qualified workers have created the need for creative offerings..." According to Chambers (2001) there are three levels of financial incentives: Signing bonuses, performance incentives and longevity bonuses.

Signing bonuses are predetermined cash sums paid to candidates upon accepting a job and reporting for work and have no strings attached. Signing bonuses can also be converted to longevity bonuses paid upfront where the employees must pay back the bonus if they resign before a certain date. Offering signing bonuses is a good idea when a company wants to provide employees with some incentive to stay on during their first year - when they are most at risk of leaving (O'Malley, 2000). A risk with signing bonuses is that current employees might feel unhappy when new employees receive more incentives than they do. Griffeth and Hom (2001) agree that neglecting internal pay equity can also hurt retention for pay inequity may occur if new incumbents earn nearly as much as experienced incumbents in the same job because entry-level wages are rising faster than merit-pay budgets.

Longevity bonuses are based on time and include stock options, profit and gainsharing. If used with signing and performance incentives they can be valuable in keeping peak performers.

It is not surprising that a study done by Erasmus (2001) found that people, who left for better financial offers, were willing to reveal their future packages. The following was also found:

- The basic salary was slightly higher.
- The package that was offered was a total package approach and not basic salary plus benefits.

- A very large proportion of the salary was at risk and could be increased by performance.
- The incentive schemes for performance consequently were better.
- The companies had share options.
- The Paterson grading system was not applicable.

According to Chambers (2001) the following are additional opportunities for making creative use of incentives:

- **Healthcare benefits:** According to Chambers (2001, p. 241) this is the most important benefit in hiring and retaining employees as he states "... offering the best possible healthcare benefits at the lowest possible cost to your employees is an effective hiring and longevity incentive". O'Malley (2000) also reports that from the employees' perspective health care is a valuable benefit to hold on to, especially when it includes a sizable employer-paid contribution. Organisations can position themselves to be far above their competitors by offering an exceptional healthcare benefit package that does not greatly increase the cost to the employees.
- **Educational incentives and tuition reimbursement:** This is another attractive incentive and can be offered as direct payment, reimbursement on successful completion of studies and making the time available for employees to participate. Employers can commit employees to stay on for an extended period of time after completion.
- **Accelerating vacation benefits:** This is where the amount of time employees must serve to qualify for extended vacation is reduced. Employees attach more importance to private and family time and therefore value the possibility for increased vacation time.
- **Lifestyle support:** Health Club or Fitness Centre membership can be a highly attractive low cost incentive. Organisations can negotiate group membership at reduced rates. Another popular incentive is where the organisation provides services that assist employees with household chores and repairs. This gives the employee more time to concentrate on work related issues.

- Technology selection options: Another popular incentive is where employees can select their own computer and technology equipment, limited by reasonable cost and systems compatibility.
- Flexible hours: Flexible hours are not always possible to put into practice, but can be considered. The challenge is that if it is offered to one employee it must be offered to all employees.
- Child care referrals: This can be done on-site or be provided as a child care referral service. Organisations can also assist employees with finding emergency care or advice on local service providers.
- Healthcare administrative assistance: This incentive is growing in popularity and is open to employees and their families. Hereby organisations assist employees in filling out claim forms and attending to other administrative matters.
- Future outplacement service: This is not necessarily in the organisation's best interest, but it is attractive as far as the candidate's long-term career development strategy is concerned.

Another type of "incentive" which is given much thought by middle-aged to older workers is retirement benefits. This is not as popular with younger employees as they feel they still have a lifetime in which to save for their eventual retirement (O'Malley, 2000).

Chambers (2001) also states that the following minor incentives can have a huge influence on the attractiveness of the organisation culture for any given employee:

- Lifelong learning: This includes life skills training and seminars on topics such as health, wellness and financial planning. It also includes family issues such as effective parenting, college selection, cost planning and conflict resolution.
- Outdoor life: Organisations can provide walking paths and exercise facilities for the use of their employees.

- E-mail free days: Employees in customer service departments can be allowed to schedule days where they do not have to attend to e-mail, but route it to someone else.
- Casual attire: Every day can be a casual day, not just specific days.
- Dress-up day: These days offer employees the opportunity to look and feel different.
- Do something different days: This is an opportunity where employees can do different jobs within the organisation. These opportunities have a great effect on production, reduce boredom and employees learn to respect each other's jobs.
- Organisationally sponsored adventure travel: Things like rafting trips, hiking adventures, archaeological digs and art study tours are also growing in popularity.

Dibble (1999) also suggests that there are methods to recognise contribution without it being entangled in money, e.g. spirit awards where employers express appreciation. It's a simple reminder that something special has occurred.

However, monetary related rewards are only one aspect of employee retention. Employers have to look at all aspects that employees value in order to retain them.

2.3.1.3 Motivators other than financial rewards

Woodruffe (1999) reports that there is little hold on people if money is all that is on offer. Kaye and Jordan-Evans (1999) also report that money is not the major motivator that makes employees stay. Examples of other motivators that matter to employees are growth opportunity, flexibility, meaningful work, a good boss and recognition. Rich (2002) agrees with Kaye and Jordan-Evans (1999) that financial rewards are not significant reasons for turnover. On the other hand Bussin (1994, p. 21) states, "Motivation theories have contributed to the confusion about money and its effect on employee behaviour. For every theory that says money is not a motivator, there is one that shows some positive relationship between the two."

The role of money in voluntary turnover should be considered together with the question why employees look for alternative jobs in the first place. Dibble (1999, p. 100) mentions that "Employees do not think about pay all the time. It becomes a sensitive issue in the workplace when something happens to make the employee believe that his or her standard of fairness is being violated." Most employees start thinking about leaving in response to some particular event or shock to the system, which causes job dissatisfaction or employees to question whether they should remain with the company. The shocking event (e.g. the denying of a transfer request, a friend being laid off, an employee passed over for a promised promotion and the like) results in negative emotions and causes employees to evaluate and look at better alternatives that pay more. Many employees are relatively satisfied when leaving, for as time goes by they forget the negative emotions, particular event or shock when offered a better salary (Mitchell et al., 2001).

Rewards that individuals value vary with time and depends on the stage of their career and life. The younger generation value development more than the older generation. McCarter and Schreyer (2000, p. 79) state that "new college grads desire the opportunity to learn and grow, test their mettle, and prove their competence". For them retirement rewards will not have the same impact as for the older generation. O'Malley (2000) also states that employees think differently about benefits, e.g. those starting their careers versus those nearing retirement or being married versus being single employees.

2.3.2 Economic climate

The economic climate plays a major role in retention rates. The majority of terminations are at the request of the employee, due to a high level of employment, when there is a good expectation of re-employment elsewhere.

Maclachlan (1985, p.12) states that "When an economy is in a growth phase the availability of alternatives, the demand for skills and opportunities for movement because of alternative employment, become real factors in labour turnover." Branham (2001) and Chambers (2001) agree with Maclachlan (1985) that in strong economic times, more job options are available. This increases the pressure on managers and organisations to work hard in keeping productive employees satisfied.

2.3.3 Employer of choice

Organisations should strive to be companies employees want to work for. Rich (2002, p. 48) reports that "Sibson's annual *Reward of Work* survey showed that 58 percent of employees believe that low affiliation with their companies is a major reason they would change jobs."

In terms of affiliation with a company, employees value the following:

- The organisation's reputation. Few people enjoy playing in a losing team.
- Attractiveness of the company's mission. Employees need to understand the company's mission, strategies and goals and how they as employees can contribute to company results.
- The company's values and management style.
- Effectiveness of supervisory feedback.

Dibble (1999) states that being an employer of choice gives companies a competitive advantage in attracting and retaining employees. It attracts potential employees and motivates current employees to stay. Dibble (1999) also points out that every organisation can be an employer of choice for different reasons.

Chambers (2001, p. 290) states that "to retain people, there has to be a lot of organisational caring. People must know that you are really in their corner and you're trying, without reason, to work with them to develop their career, involve them, and to make them happy. You certainly have to share the wealth and pay them well. They also have to feel that they are with an organisation that is a winning team and that there is a close comradeship within their environment." To keep the right people involves doing many small things that also serve to enhance performance, motivation and job satisfaction (Branham, 2001).

According to Michaels et al. (2001) it is the company's job to sell itself to the candidate. Chambers (2001) also states that organisations need to market themselves. They need to be highly desirable and more attractive than their competitors. After every interaction between recruiters and candidates, the latter should want to be a part of the organisation. The hiring process is no longer a one-sided exercise.

Nowadays, candidates evaluate organisations and managers just as much as they are being evaluated (Chambers, 2001; Dibble, 1999; O'Malley, 2000). Potential employees notice how they are being treated during the selection process and the first impression that the candidates form of the organisation can have an enormous influence on their willingness to be employed by the organisation and to remain employed for a long period of time.

When interviewing, employers should stick to the appointment schedule. The candidates' time is just as valuable to them as the employers' time is to them. Chambers (2001) states that making candidates wait is disrespectful and rude.

Unsuccessful candidates should also be treated with great respect for they might be considered for other positions at the same company in the future (Chambers, 2001). Employees should send a follow-up e-mail or regret letter thanking the candidate for his/her interest in the company and for his/her time. If organisations do not behave honestly with people, the trust will be permanently damaged.

2.3.4 Recruiting and hiring

According to Dibble (1999, p. 31) job descriptions, recruitment, selection, and orientation are critical for it is the foundation of retention: "Retention begins long before an employee's first day on the job. It starts when we describe the position we plan to fill. It is at stake when a potential employee, someone with the skill we need, reads our ads or talks with a recruiter." Everything employers do before employees report for their first day has an impact on the employers' ability to retain them once they are there. Replacement cost also represents a major increase in compensation expenses without a corresponding increase in productivity.

Under this rubric of recruiting and hiring the following aspects will be discussed: Selection sources, filling the position, job analysis, hiring mistakes, interviewing, internal candidates and reference checks.

2.3.4.1 Selection sources

Recruiting is no longer about selecting the best candidate from a long line of candidates. Employers need to go out and find great candidates. According to Chambers (2001)

companies need to identify sources where they can find the people they want to attract to their organisation and discover what will make these attractive candidates respond positively to their organisation. Companies should consider which media to use for advertising or which publications these candidates are likely to read. Most companies still use the same recruiting strategies they always have. According to Michaels et al. (2001) companies should also not just target employees who are looking for a job, but also those who are not looking - passive job seekers. Michaels et al. (2001, p.13) also state "Aggressive companies are using new methods to find candidates, too. They are hunting for talent all the time, not just when they have vacant positions."

Companies need to build a database by adding the following parties to the potential list: candidates who have turned down offers, people not suitable for one part of the business but great for another part, strong performers who have left the company, top performers at competitors, people that speak at conferences or win awards.

It is not surprising that most authors refer to the Internet as the latest channel to reach candidates. O'Malley (2000) also confirms the increasing use of the Internet in recruiting and selection. Candidates can be attracted through the Internet when they visit the company's website (whether they were looking for a job or not) or career sites. McCarter and Schreyer (2000) suggest that an Internet based professionally designed corporate recruiting brochure should be developed, which fully describes the organisation's culture, history, benefit programmes, work locations and all available job openings. Potential employees' information can also be stored on a database for easy access. Chambers (2001, p. 79) states, "Intranet advertising, job posting boards, and direct links to search engines make the Internet a valuable resource for recruiting certain candidates."

Although the use of the web is attractive, the availability thereof should also be considered. Not all job-seekers have access to personal computers or know how to operate one; therefore the printed media will remain playing a big role in advertising (Chambers, 2001).

Michaels et al. (2001) argue that the Internet may be the latest recruiting channel, but that the oldest method to find recruits, namely personal referrals, is the most effective method. They also state that recruits referred by employees tend to be quite successful and that everyone in the company should build their own network of candidates through networking, attending

conferences and participation in the right associations. Branham (2001), Chambers (2001), McCarter and Schreyer (2000), and O'Malley (2000) also report that employee referrals are the most cost-effective way to recruit and that employees take great care that individuals who they recommend are of high calibre and well suited for success within the organisation. O'Malley (2000) states that referrals can be seen by companies in the same industry as company-sanctioned poaching for it is the logical place to look for new recruits. The fact remains, to attract suitable candidates the target market should be aware of the existence of a vacancy.

Chambers (2001) also mentions that it is best to start close at home with recruitment and suggests that employees should consider the recruitment pools within the eight hours target area. Employers will attract more candidates that are willing to relocate and relocation cost will be lower.

2.3.4.2 Filling the position

Employers need to move fast in their recruitment and hiring effort, for if one organisation is interested in a candidate others might be as well. Chambers (2001, p. 19) states, "Competing organizations, realizing that time is of the essence, are packaging attractive offers and urging candidates to make quick decisions and thereby limit lost opportunities." To attract these employees the organisation's compensation and benefit packages should be consistent with those in the same industry. Hiring incentives may also be necessary to attract the best candidates.

If employers make bad decisions when recruiting, they will recruit poor performers who in turn will make poor decisions. The best way to avoid employing problem employees is not to hire them in the first place. According to Rich (2002) one of the most important reasons for high turnover is that companies hire the wrong employees. Other authors, notably Billsberry (2000), Branham (2001), and Griffeth and Hom (2001) report the same tendency.

The most vulnerable time to lose a potential employee is the period between the time the offer has been accepted and the starting date. It is crucial that the organisation stay in close contact with the candidate during this period.

Counter-offers are a common occurrence. The company offering the new employment should discuss this with the potential new employee to prepare the employee for the probability so that he/she is not caught off guard if this is to be the response from the current employer. Chambers (2001, p. 230) state that "... the current organisation should not be offering more money, responsibility, or promotion now when the candidate is planning to leave if it wasn't willing to offer it without the threat of loss; such an offer is proof that the organisation was willing to employ your candidate on the cheap for as long as it could get away with it."

Dibble (1999) states that organisations should not counter-offer for the following reasons:

- If the employee accepted the offer he/she had already weighed the offer and made a commitment to the other organisation.
- Employees may use this as negotiating tactic to get more money or a different job in the organisation.
- Employers would not want to create a culture where employees get what they want if they threaten to leave.
- Counter-offers only retain employees for a short term and they continue looking for other jobs.

Dibble (1999) argues that counter-offers can be a retention tool that should be used selectively when a company wants to retain certain employees for a specific period of time.

Before employers recruit new employees it must firstly be determined whether it is necessary to replace the employees who left the company. Employers should not fall into the trap of automatically replacing someone. If it is found that the position must be filled, the next step is to conduct a proper job analysis.

2.3.4.3 Job analysis

When analyzing a job one needs to understand the following aspects: the tasks the job holder will have to do, the skills the job holder will need and the roles the job holder has to fill (Billsberry, 2000).

When conducting a job analysis one should consider the knowledge and experience a newcomer should have and the selection criteria need to be job-related. Only people who satisfy the essential criteria should be short-listed. When preparing for selection employers have to determine the skills that are most important to successful job performance (Dibble, 1999). To ensure that the right people are hired, employers should ask behavioural-based questions. The best predictor of future behaviour is indeed past behaviour.

Dibble (1999) states that a job description identifies the technical, management and physical skills desired and the job description should achieve the following four goals to support retention:

- State the purpose of the job - why it exists in the organisation.
- Describe the basic responsibilities.
- List the skills needed to perform the responsibilities.
- Describe the working conditions.

Branham (2001) expresses concern with managers stating that they do not have time to analyse and update job descriptions every time they hire a new employee. The truth is that long-term hiring success is determined by the quality of the job description. A job description should not contain more than six to eight key competencies in order to avoid creating unrealistic specifications.

2.3.4.4 Hiring mistakes

According to Chambers (2001) managers who hire make the following hiring mistakes:

- Lack of preparation: Failure to prepare usually results in unclear objectives, poor understanding of skills needed and basing decisions on instinct and subjective feelings, not objective criteria. Dibble (1999) also mentions that the better managers are prepared the better the results are.

- Talking too much: When managers do all the talking they instinctively feel good about the candidate, because the candidate allowed them to talk about their favourite topic – themselves and the organisation.
- Egg-timer decisions: Instinct and gut hunch decisions result in managers making quick and subjective decisions. If managers decide during the first two to five minutes to exclude a candidate from the list, they spend the rest of the time looking for evidence to support their decision. This tendency is confirmed by Branham (2001).
- Poor questioning: Managers need to collect as much information as possible about relevant issues and specific skills. They need to know what they are looking for in order for them to ask the right questions.
- Poor understanding of needs: Everyone involved in the hiring process must understand the selection criteria, specially the Human Resources department, when carrying out the initial screening. They need to understand what kind of people they are looking for; otherwise they end up with less desirable candidates from which to choose.
- Rating disproportionately: All relevant factors need to be examined. If a candidate is excellent in one area, managers tend to overlook the weak areas which might have been of great significance for past successes.
- Hiring own image: It is common for managers to hire people who are most like themselves. This leads to a discriminatory hiring practice and in doing this, managers ignore issues of diversity. Some managers may also fear to appoint candidates who possess skills superior or different from their own (Branham, 2001).
- Panic hiring: This happens when managers hire all those who are available regardless of their skills, experience or abilities. This usually occurs when organisations experience explosive growths.
- Hiring best available: This occurs when managers hire candidates who do not meet the overall expectations or possess the necessary skills, but who are the best available.

This can have negative, long-term implications. Branham (2001) states that managers sometimes hire without proof of performance, where applicants should provide examples of actual past behaviour.

- Negative first impression: The organisation's first impression it portrays to the candidate is as important as the impression a candidate gives. The physical environment where the interview takes place has a significant influence on how the candidates perceive the organisation.

Another reality is that most line managers are well trained in the technical aspects of their jobs and have acquired great experience in the technical aspects of their responsibilities, but lack the human resources skills of recruiting, interviewing and people development. Most managers learn these skills the hard way, through on-the-job training, whereas Human Resources professionals are well trained in hiring and interviewing techniques. When training is provided it usually focuses more on legal issues (which are also important), than on hiring and management effectiveness. This leaves line managers to rely on their instinct or gut feelings for hiring decisions, which leads to deadly and costly managerial behaviour (Chambers, 2001).

Another common hiring mistake occurs when candidates who are able to address current circumstances are hired instead of candidates who can meet the challenges of the future (Chambers, 2001).

Rich (2002) states that if high turnover occurs during the first month on the job, it points to weaknesses in the selection and recruitment process. Thus the screening process should be based on a profile of the skills and experiences that would make a successful employee.

2.3.4.5 Interviewing

Griffeth and Hom (2001) also state that structured interviewing should be used as a more valid interviewing process where the interviewers use predetermined, job-related questions, scoring formats and decision rules. Employers can also increase the validity of personality tests by identifying the personality requirements of a given job analysis and then choosing or developing valid measures of relevant personality traits. Multiple interviews should be

conducted before the hiring decision is made and multiple interviewers should be included (Chambers, 2001).

2.3.4.6 Internal candidates

Much consideration should also be given to internal versus external candidates. Billsberry (2000) states that internal candidates might display great potential in their current job and the recruiter should decide whether they are ready to move on. It is possible to observe how well they fit in regarding their motivation and job satisfaction. On the other hand external candidates tend to be people who have the experience and proven skills and the recruiter needs to decide whether these people will be able to transfer their skills and abilities to the organisation. Branham (2001, p. 125) argues, "In most industries it takes employees two weeks to find a job outside the company and two months to find a job inside the company." This happens when managers make the assumption that the best person for the job has to be from outside the company and can not possibly come from within.

2.3.4.7 Reference checks

Reference checks should be conducted with the front-line people who had significant interaction with the candidates as apposed to the Human Resources department whom most of the time have limited information regarding the candidate (Chambers, 2001). Branham (2001, p.106) states that "Many employers believe that an honest reference check is the most reliable piece of information they can get to help them get a well-rounded picture of a future new hire. But references provided by the candidate can be of limited value for the previous bosses or colleagues usually are generous with their praise. Candidates also are on their best behavior during reference interview in order not to burn their bridges."

2.3.5 Assessments

At least seven to eight areas of specific skills and qualifications should be considered when developing assessment criteria (Chambers, 2001). Chambers (2001, p. 45) states, "The depth of these skills and qualifications and the weight of their importance will change according to the job."

Many good candidates are overlooked because they do not meet the requirements set out. It is a waste of good talent if the requirements or a critical indicator for success in the job are not relevant, e.g. unrealistic qualifications (Chambers, 2001).

Educational claims should always be verified. Chambers (2001, p. 91) states that "be wary of educational claims concerning institutions you have never heard of. Just because you are not aware of a particular school, university or institution does not mean that it does not exist; however, diploma mills do exist and they sell degrees and credentials."

Branham (2001) reports that when managers accept answers such as "better opportunity" in exit interviews they are missing an opportunity to understand the correctable issues that may have led to the decision to quit. Exiting employees may not reveal the real reason for leaving to avoid "burning their bridges" (Griffeth & Hom, 2001). Comments made during exit interviews should be kept confidential (unless legal obligations prohibit such confidentiality) to encourage openness and honesty. Results should not just be collected and analysed, but also shared with managers instead of being filed to ensure that corrective action takes place. Exit interviews can also be used as a final attempt to salvage the quitting employee or can be a public relation tool for the organisation by ensuring that employees leave the company on a positive note (Griffeth & Hom, 2001).

Michaels et al. (2001) suggest that companies firstly need to screen for cultural fit. They report that studies have shown that cultural fit is a major cause of turnover for new hires.

2.3.6 Organisation culture

Organisation culture is the "personality" of the organisation or the rules and norms that shape everything that occurs within the organisation (Holton & Naquin, 2001). According to Billsberry (2000, p. 64) "organisational culture refers to an individual's perception of the environment in which they work". Therefore a newcomer's perception of the environment in which he/she will work is an important factor in retention: "The organisations most successful in their staffing and retention practices are those that leverage their core culture to attract and retain like-valued employees. Although job fit is important, culture fit determines whether someone is highly likely to remain with and be successful with the company" (Harris & Brannick, 1999, p. xiv). O'Malley (2000) states that there are reasons why employees who

do not fit in with the organisation culture are employed i.e. time pressure to take any person who is available, wrong selection criteria used and companies misrepresenting themselves.

Billsberry (2000, p. 94) states that "There is a golden rule of recruitment: give a realistic picture of the job and the organisation to potential applicants." Dibble (1999) and Holton and Naquin (2001) also confirm that it is critical that employers give an accurate picture of the organisation and the jobs, even if it means losing stars who are looking for a different work environment than that what the company can offer. If employers 'dress it up', they raise expectations that can not be met once the employees are in their service. This will lead to resentment, dissatisfaction, lack of commitment and, ultimately, the decision to leave the company. Other authors, notably Branham (2001), Chambers (2001), Griffeth and Hom (2001) and McCarter and Schreyer (2000) agree that a recruiter must be honest with the candidate about the opportunities, and candidates should be aware of potential pitfalls and roadblocks. They should be specific and sincere about the work environment and focus on the holistic needs of the candidate, not just the job needs, i.e. living arrangements and what social and recreation needs they have. They should not mislead the candidate or make promises that cannot become reality.

If the organisation can not meet the candidate's expectations it is best to inform the candidate accordingly as soon as possible to avoid disappointment if the candidate does join the company: "Negative employment surprises of any kind usually result in frustration and anger along with depleted performance, a decrease in commitment, and an increase in the likelihood of their spreading rumour, gossip, and critical comments; a quick departure usually follows" (Chambers, 2001, p. 206).

2.3.7 Length of service

Labour turnover is higher among short service employees than among employees with longer service. Chambers (2001) and O'Malley (2000) state that the decrease in loyalty is higher among younger employees. The longer employees stay with a company the greater their personal investments and commitment become.

The first three months of service appear to be critical. Branham (2001, p. 92) states that the reason for high turnover within six months is that " ... workers are mismatched with their

jobs in terms of the natural abilities required or the self-motivation needed to perform them well".

Michaels et al. (2001) also state that it is important to recruit employees at entry level for once an employee starts his/her new employment and the longer he/she remains with the employer, the more likely it is that he/she will stay. This will allow the company to educate the employee at an early state regarding the culture and values of the company.

2.3.8 Orientation, training and development

Orientation and training are regarded as one of the most effective ways of rewarding and retaining employees. Many recruiters think that once an offer is accepted the process is over and do not take into consideration the fact that to start a new job is one of the most stressful times in an employee's career. O'Malley (2000) states that it is not surprising that a number of employees never show up for work on their first day. Orientation and relationship building should start before the employee formally begins his/her first day by sending out updates on the company or informing the employee of upcoming events. Extra effort needs to be exerted to maintain the perceived attractiveness of the company until the hire date.

According to Billsberry (2000, p. 9) "Introduction is possibly the most frequent ignored aspect of organisation entry." Chambers (2001) states that even the most experienced employee should receive initial training for the new organisation does things differently from the previous employer. He further states that employees must receive training in organisational policies and procedures and be introduced to the processes and standards of quality.

The development of new employees is a tremendously underutilised strategic tool, which can help to reduce turnover and improve productivity, and is the responsibility of everyone in the organisation, not just that of the Human Resources department (Holton & Naquin, 2001). New employees should be developed by increasing their skills and abilities (Chambers, 2001). Rich (2002) suggests that the training should cover more than just the basic policies and procedures that are in force inside an organisation. New employee development should include socialisation (i.e. helping new employees learn about the organisation and how to fit in), as well as training in task performance (Holton & Naquin, 2001).

Chambers (2001) states that many organisations see training as a necessary evil and believe that they do not have time to train their people. On the other hand they always have time to fix ongoing problems. Many managers also have the short-sighted opinion that when one hires experienced employees, they only need a little or even no training at all.

A distinction also needs to be made between initial training and on-going development. According to Michaels et al. (2001) many managers are of the opinion that development implies training, while in actual fact training is only a small part of it. Development takes place through a sequence of stretch jobs, coaching and mentoring. Holton and Naquin (2001) also confirm that mentoring and coaching are integral parts of the employee development process. The “old” versus the “new” approach to employee development is depicted in Figure 1.

Old approach to development	New approach to development
Development just happens.	Development is woven into the fabric of the organisation.
Development means training.	Development primarily means challenging experiences, coaching, feedback and mentoring.
The unit owns the talent; people don't move across units.	The company owns the talent; people move easily around the company.
Only poor performers have development needs.	Everyone has development needs and receives coaching.
A few lucky people find mentors.	Mentors are assigned to every high-potential person.

Figure 1: Old versus new approach to development according to Michaels et al. (2001).

Employee development also implies providing feedback and coaching to employees regarding their strengths and weaknesses. According to Michaels et al. (2001) this needs to be done otherwise employees are robbed of the opportunity to take charge of their development and their careers. Other authors, notably Kaye and Jordan-Evans (1999) report the same tendency.

Sometimes organisations tend to train only the poor performers while in actual fact all employees have a natural desire to fulfil their potential. Employees who are given the chance to develop will be most satisfied (O'Malley, 2000). According to Chambers (2001)

organisations need to train their peak performers as well, for they, the peak performers, do not think they know it all or that they do not need training.

Younger employees have a desire for information and continually look to add to their skills, especially technological skills. If they are not continuously challenged, they will look elsewhere for better opportunities and the latest technology. They continually need to develop their technological skills.

Management training also prepares these employees for future opportunities. Dibble (1999) suggests that other learning methods can be used i.e. filling in for a supervisor, job shadowing, job rotation, mentoring, self-paced learning, project teams or task forces, teaching or coaching and on-the-job learning. The employees on whom a lot of time and money is spent in terms of their training and development are the ones who are more likely to be targeted by competing organisations. At the same time it is these employees whom organisations would want to retain.

2.3.9 Job content and work satisfaction

Rich (2002, p. 48) mentions that "Sibson's annual *Reward of Work* survey showed that approximately 70 percent of employees believe job content is the most important or a very important reason they would change jobs." Employees who enjoy their jobs work harder and stay longer with their employers than employees who don't (O'Malley, 2000). According to McCarter and Schreyer (2000), employees are more satisfied in jobs which they find personally interesting.

Employees also need adequate time to perform their jobs properly. Rich (2002, p. 49) states that "Having too little time to do the job can result in lifestyle issues, employee burnout and reduced job satisfaction because the employee cannot do the job properly."

Chambers (2001) report that peak performers want to make a contribution, they are not just in it for the pay cheque. To them job satisfaction is the opportunity to do meaningful work and to make a difference in the organisation. Employees want to believe that their jobs are vital to the organisation's success: they do not want "something to do"; they want to "do something" (Branham, 2001; Griffeth & Hom, 2001). Harris and Brannick (1999) also state

that an organisation needs to provide a clear link between the job and the core business of the particular organisation.

2.3.10 Career opportunities

Billsberry (2000, p. 202) states that "Research has shown that one of the most important factors causing people to look for work elsewhere is the lack of opportunity for growth and development." Chambers (2001) also states that employees will leave if they believe that it is the only way to move up.

Although it is the employee's responsibility to manage his or her own career, it remains the company's responsibility to provide employees with the tools, environment, assessment and feedback. Dibble (1999) points out that supervisory feedback must be: relevant to the job; specific, not global; and timely in order to be effective as a retention tool. According to Woodruffe (1999) employees believe that if they develop themselves, growth and advancement will follow. Frustration develops if this is not the result.

The employees that organisations want to retain are looking for guidance; they want goals to have a sense of direction in their work (Dibble, 1999). Woodruffe (1999) also states that employers should retain the future leaders; otherwise the organisation will arrive at the future with its leadership lacking in numbers or ill-prepared to take on its role.

2.3.11 Supervision

Each supervisor creates a unique environment for employees. At the same time the conditions in these environments either encourage employees to stay or give them reason to leave (Dibble, 1999). As Griffeth and Hom (2001, p. 90) so aptly state "...abusive supervision is often responsible for many forms of workplace injustice that can instigate resignations". Supervisors thus carry a great responsibility for retention of staff.

Kaye and Jordan-Evans (1999) report that, due to their status, many managers have been allowed to behave as 'jerks' and get away with it. Kaye and Jordan-Evans (1999, p. 77) state, "Employees will leave if they don't like their boss even when they are well paid, receive recognition and have a chance to learn and grow." Chambers (2001, p.16) also reports that

"people don't leave organisations, they leave managers" and "if employees receive job offers elsewhere, the chances are that poor relationships with their managers had them looking in the first place."

In the past employees were motivated primarily by fear which was rooted in the protection against the loss of economic stability, but today people are motivated by gain (Chambers, 2001). If employees' expectations of gain are not met they will leave. It is essential that employers know what the needs of their employees are.

Dibble (1999) reported that a survey she conducted confirms that the better employees believe they are being treated; the more likely they are to want to stay with the organisation. O'Malley (2000) also states that employees expect their managers to be dependable and trustworthy by being reliable, open, discreet and showing integrity, support and fairness.

2.3.12 Performance reviews and compensation

The only way companies can promote and keep their most talented people is by systematically identifying who these employees are. According to Michaels et al. (2001) employers should reward their best performers with fast-track growth and pay them substantially more than their average performers. To identify the best performers each individual's performance and potential should be discussed by at least two or three people in the room who know the individual under discussion well enough to contribute to the assessment discussion, where after action plans must be developed and adhered to.

According to Michaels et al. (2001) most companies struggle with differentiation and do not establish action plans. Most companies only conduct a one-day succession-planning event with limited resulting actions, while the 'best' companies have aggressive talent reviews in each division, which have the same importance as the budgeting process. Their surveys also showed that rewards and recognition for high individual performance was rated more important than the overall amount of cash they are paid. If employees are not rewarded for their effort they put in, they will become dissatisfied, and leave (Branham, 2001; McCarter & Schreyer, 2000; Woodruffe, 1999). Manas (1998, p. 24) also states that "Employees want to know that management recognizes their time and contributions. While money is a simple

and fairly foolproof way to show appreciation, recognition through non-financial means also can have an impact on morale.”

Michaels et al. (2001) suggest that companies need to change their compensation systems in order for them to pay the best performer significantly more than the average performer. Companies can then pay the top performers what they are worth in the market without raising compensation levels across the board for everyone. Branham (2001, p. 8) confirms that "when it comes to pay, the most talented people seem to want something more.... the assurance that the better they perform, the more they can earn". The difference between the “old” and the “new” philosophy regarding pay is depicted in Figure 2.

Old pay philosophy	New pay philosophy
Pay for the job.	Pay for the person and for performance.
Job scope and seniority drive pay.	Value creation drives pay.
Pay what others in the company get (internal equity).	Pay what the individual could get elsewhere (market equity).
Set a range and hire within it.	Break the compensation rules to hire the right candidate.

Figure 2: *Old versus new pay philosophy according to Michaels et al. (2001).*

2.3.13 Family responsibility

Employers who are not family-friendly will find it harder to retain their employees: “Employees are asking for a workplace that helps them to balance the demands of their work and family lives, rather than forcing them to choose one over the other” (Kaye & Jordan-Evans, 1999, p. 39). Employers should benchmark and know what other organisations are offering i.e. child care facilities or subsidies, flexible work schedules, job sharing, telecommuting, elder care assistance (referral programmes) and creative maternity leave programmes. This will allow employees to meet personal responsibilities while still being productive at work. O'Malley (2000) also states that a general misconception is that these benefits are only for married employees with working spouses. Employees should note that although not everyone has children, everyone does have a life.

Chambers (2001, p. 59) also states that when employers recruit they overlook “the importance of the spouse, significant others, parents, or anyone else who may be a part of a candidate’s support system”. These people may have great influence in the candidate’s decision to accept or decline the job offer.

2.3.14 Accountability

Rich (2002, p. 45) states that "there is no one individual or department, who has control over the broad range of factors that influence turnover; thus accountability is unclear". Dibble (1999) points out that retention is not just the responsibility of the supervisor, second level supervision, the human resources (HR) department or senior management. All of them are responsible for retention. Michaels et al. (2001) also state that every leader in the company should be committed to the goal of retaining talent. It is not just the job of HR. On the other hand Dibble (1999) argues that if everyone shares the responsibility for retention, the danger is that no one really accepts responsibility and no one is quite sure of his/her roles or what he/she needs to do. According to Branham (2001) managers, and not the HR department, should take primary ownership of retention for they hold the keys to giving what matters most - to simply care about the people as people, showing appreciation and treating them with respect. Kinnear and Sutherland (2001) state that HR and line managers need to form a retention partnership, but that line managers should take responsibility for retaining key employees as part of good people management. They further state that HR needs to champion retention throughout the organisation and provide leaders with a range of relevant information.

Kaye and Jordan-Evans (1999) also confirm that managers at any level have the most power to retain employees by providing meaningful and challenging work, a chance to learn and grow, fair compensation, a good work environment, recognition and respect. If the competition offers more money and better perks a sound relationship between supervisors and employees can ensure work life satisfaction and the retention of employees.

Managers need to realise that retention is not just about money. Managers who believe that they keep employees only by offering more money place the responsibility for retention squarely in the hands of senior management and blame organisational policies or pay scales for the loss of talent (Kaye & Jordan-Evans, 1999).

2.4 REASONS FOR EMPLOYEES STAYING OR LEAVING

According to Kaye and Jordan-Evans (1999), research findings confirm that the reasons why employees remain at a company are shared throughout every industry and at every level. The most common reasons why people stay (listed in order of popularity and frequency) are:

- a) Career growth, learning and development
- b) Exciting work and challenge
- c) Meaningful work, making a difference and a contribution
- d) Great people
- e) Being part of a team
- f) Good boss
- g) Recognition for work well done
- h) Fun on the job
- i) Autonomy, sense of control over work
- j) Flexibility - for example, regarding working hours and dress code
- k) Fair payment and benefits
- l) Inspiring leadership
- m) Pride in organisation, its mission and quality of products
- n) Great work environment
- o) Location
- p) Job security
- q) Family-friendly
- r) Cutting-edge technology

Chambers (2001) also list the ten most significant reasons why peak performers leave their current organisation:

- a) Feeling unappreciated/being taken for granted
- b) Boredom: repetition, repetition, repetition
- c) Misalignment of authority and responsibility
- d) Poor communication
- e) Not being listened to

- f) Lack of involvement in the decision-making process
- g) Sub-market compensation
- h) Unclear goals, objectives, and expectations
- i) Absence of positive recognition
- j) Poor management

2.5 CONCLUSION

From the above it is evident that a huge amount of effort is required by organisations to retain their employees from the recruitment phase right through to retirement and in this process there is no single factor influencing retention. It is clear that there are several which operate interactively. It is also clear that retention cannot be accomplished purely through paying workers more money. On the other hand remuneration should at least be market related. A host of on-the-job and off-the-job factors must be considered when developing a retention plan and an organisation needs to act on those that are most applicable to it. Employers should also not just be concerned with dysfunctional turnover of key employees when developing a retention plan, but should also look at the behaviours and attitudes of those who remain in employ.

The first research question has been answered and the first specific objective, namely to define what is meant by retention and to determine which factors may influence retention of employees, has been reached.

Chapter 3 contains an exposition of the empirical investigation that was carried out.

CHAPTER 3

EMPIRICAL STUDY

The empirical investigation comprises the following steps:

- Step 1: Choice of study population
- Step 2: Choice of data collection method
- Step 3: Interviewing
- Step 4: Analysis of information collected

This chapter deals with the objectives of the empirical investigation, study population, the data collection, the study method as well as a description of the analysis and application of data.

3.1 OBJECTIVES OF THE EMPIRICAL STUDY

The specific objectives of the empirical study are as follows:

- To determine which factors may influence retention of designated employees.
- To identify variables that influence retention of designated employees in a platinum mine.
- To make recommendations on how to retain designated employees.

3.2 PARTICIPANTS

The target population comprises designated employees in Crew Captain training (N=191), designated Mining Learner Officials in training (N=17), designated Crew Captains (potential Shift Supervisors) (N=79) and designated Shift Supervisors (potential Mine Overseers) (N=18). Relevant criteria for selection include that the candidate must be English literate with at least an ABET level 3 certificate, must be willing to participate in a lengthy interview and must agree to be recorded on tape. A sample of 24 was selected from the above-

mentioned strata (six (6) per stratum) by means of random selection of candidates meeting the above-mentioned criteria.

Although Moustakas (1994) states that there is no established criteria for the selection of participants, Omery (1983) is of the opinion that the participants must have the ability to converse with ease in the language in which the study is conceived in order for them to understand and express inner feelings, and to understand and express the physiological experiences that accompany these feelings. Leedy (1997) also mentions that because phenomenologists depend almost exclusively on in-depth interviews, it is important that these participants be chosen "purposefully". This will increase the utility of information obtained from small samples. Woods and Catanzaro (1988) remark that it is evident from literature studies that a small sample provides reliable research information and is therefore suitable for phenomenological studies.

Table 1 contains the particulars of the 24 participants that comprise the study population.

Table 1

Characteristics of Participants

Designated employees in Crew Captain training				
GENDER	RACE	YEARS' SERVICE	OCCUPATION	AGE
Male	Black	4	Scraper Winch Operator	28
Male	Black	4	Scraper Winch Operator	24
Male	Black	2	Scraper Winch Operator	27
Male	Black	3	Panel Operator	24
Male	Black	4	Scraper Winch Operator	30
Male	Black	3	Scraper Winch Operator	27

Table 1 (Continued)

Designated employees in Mining Learner Officials training				
GENDER	RACE	YEARS' SERVICE	OCCUPATION	AGE
Male	Black	19	Crew Captain – Production	44
Male	Black	10	Certified Instructor	37
Male	Black	12	Crew Captain – Stoping	32
Male	Black	4	Crew Captain – Stoping	36
Male	Black	1	Mining Trainee	20
Male	Black	1	Mining Trainee	23

Designated Crew Captains (Potential designated Shift Supervisors)				
GENDER	RACE	YEARS' SERVICE	OCCUPATION	AGE
* Male	Black	1	Crew Captain – Stoping	27
* Male	Black	2	Crew Captain – Stoping	29
Male	Black	1	Crew Captain – Stoping	25
Male	Black	1	Crew Captain – Stoping	36
Male	Black	1	Crew Captain – Stoping	37
Male	Black	5	Crew Captain – Stoping	40

* These two employees resigned during the course of 2002

Table 1 (Continued)

Designated Shift Supervisors (Potential designated Mine Overseers)				
GENDER	RACE	YEARS' SERVICE	OCCUPATION	AGE
Male	Black	1	Shift Supervisor	35
Male	Black	1	Shift Supervisor	35
Male	Coloured	1	Shift Supervisor	32
Male	Black	2	Shift Supervisor	40
Male	Black	1	Shift Supervisor	37
Male	Black	3	Shift Supervisor	42

3.3 DATA COLLECTION

A qualitative data collection method (interviews) based on the phenomenological approach is adopted in this research.

Phenomenology is the science of describing what one perceives, senses and knows from one's immediate awareness and experience. According to Moustakas (1994) one needs to determine what an experience means for the persons who have had the experience and are able to describe it. From this meaning is derived. Subsequently the underlying principles, description, conducting, reliability and validity of the interview are discussed.

3.3.1 Underlying principles of the interview

The phenomenological method is an inductive, descriptive research method. Qualitative research methods, of which the phenomenological method is one, are not meant to replace quantitative research methods, but rather to complement them. Phenomenology attempts to study the human experience as it is lived (Omery, 1983).

Omery (1983) further states that to ensure that the phenomenon is being investigated as it truly appears or is experienced, the researcher must approach the phenomenon with no preconceived expectations. Thus the subject to be studied must be approached naively and all data are accepted as given. The researcher must also understand all data from the perspective of the participants in the experience. The phenomenological data collection method is not limited to observable facts or objective empirical data, but it includes the subjective meanings that these phenomena or experiences have for the participants. All data, whether subjective or objective, is valuable to the qualitative researcher.

The purpose of the interview is to provide the participants with the opportunity to describe their own unique experiences and observations in terms of factors influencing retention of designated employees.

3.3.2 Description of the interview

The interview is a method to obtain information from the participants regarding their experience of the phenomenon, in this case, factors influencing retention of designated employees. In order to plan for the interview, a literature study has been conducted, the “results” of which will serve as guidelines for the investigation. During the literature study the researcher should be careful not to be prejudiced and that a predetermined framework should not be confirmed. Leedy (1997, p. 161) also states that “It is expected that the phenomenological researcher will select a topic to study that is personally meaningful, as well as emotionally and intellectually engaging.”

A sincere method of interviewing is used in this study. The researcher, who acts as the interviewer, focuses on a specific topic in a fresh and naive fashion. She starts off by providing background information about herself and the interview. The aim is to create a relaxed and trusting atmosphere in which the participant will feel comfortable and will respond honestly.

A lengthy person-to-person interview is conducted and recorded. The questions are formulated in such a way that it is understandable to others. The key words must be defined and clarified to ensure the intent and purpose of the investigation as evident. The phenomenological interview is not structured as a series of questions but rather involves an

informal, interactive process and utilises open-ended comments and questions (Moustakas, 1994). The introductory question is also phrased as an open-ended question e.g. "I shall be grateful to hear your views..." Leedy (1997, p. 162) states that "The researcher must learn to take their cues from the participants' expressions, questions, and occasionally sidetracks. Such an interview should look like a dialogue or conversation, with the participant doing most of the talking and the researcher doing most of the listening."

The interview comes to an end when the participant is beginning to reflect the same kind of "themes" or patterns, or when the participant has ceased to offer new insights (Gerdes & Conn, 2001).

3.3.3 Conducting the interview

The researcher's attitude should be one of unconditional acceptance and participants should be allowed to talk freely. According to Rothmann (1997) it is important that the researcher maintains eye contact and open, inviting body posture. The chairs should be placed at an angle of 90 degrees so that the participant may avoid eye contact if he/she so pleases.

The researcher can also make use of other verbal sounds like "hmm, hmm..." or "yes ... yes ..." and by nodding the head to encourage the participant. It is imperative that the researcher only interrupts if the participant is drifting off, as unnecessary interruptions will spoil the atmosphere of trust and openness in the interview (Rothmann, 1997).

The researcher starts the interview by providing brief information about herself and by giving the frame of reference of the interview. Rothmann (1997) states that it is often necessary to give some information that serves as background to the question.

The opening question has to be formulated in an open and vague way. It is important that the researcher only asks one starting question at the beginning of the interview and that the question may not contain any suggestions. The researcher can repeat the question during the interview, without including the background of the question.

According to Rothmann (1997) the following guidelines can be followed in order to assist the researcher with the interview:

- **Clarification**

The researcher can use this technique to ask for examples which could serve to strengthen the researcher's understanding and can be formulated as such: "Can you tell me something more about....?" or "What do you mean by ...?"

- **Reflective summarising**

A reflective summary is carried out when the researcher mirrors the participant's opinion in her (the researcher's) own words, and therefore has a structuring function. The researcher has to reflect not only the participant's actual words, but also the feeling behind it. A reflective summary can also be useful in clarifying messages.

3.3.4 Reliability and validity of the interview

In qualitative research the reliability and validity of the entire research process is emphasized (Krefting, 1991). Although the reliability and validity of the qualitative instrument can not be statistically measured, the factors that influence it should be provided for.

Reliability can be obtained as follows (Krefting, 1991; Woods & Catanzaro, 1988):

- Identification and clarification of the researcher's role in the research.
- Description of the development and content of the research as the study progresses.
- Description of the method used for data collection, data analysis and interpretation.
- The use of a pilot study to determine the appropriateness of the opening question.
- The recording of field-notes of participants' experiences and feelings.
- Transcription of interviews which were tape-recorded.
- The use of a coding process during the data analysis process.
- The clustering of common themes as derived from comments made by participants.
- Comparison of empirical findings with those derived from the literature study.

Gerdes and Conn (2001) also report that trustworthiness (to which the validity of a study refers) often takes care of itself if the qualitative methods and contingencies are followed and

well documented. In a qualitative study a "paper trail" exists and data can be traced back directly to the original conversation and documentation.

Malterud (2001, p. 4) states, "The importance of sampling is closely related to validity." Internal validity is attained when the study investigated what it meant to investigate and external validity is related to the contexts in which the findings can be applied. In qualitative research, the aim in respect of validity is to produce information that can be shared and applied beyond the study setting and whether or not the study results can be applied in other settings. Findings are not supposed to be valid for population groups at large; therefore it is necessary to present background information such as demographics and study settings. Random sampling is therefore very seldom a relevant tool for attaining validity in qualitative studies.

3.4 INTERVIEWING

Contact was established with the participants to obtain their approval to be interviewed. All the participants were prepared to partake in the research and approval to commence with the research was obtained from the Human Resources Manager. With the assistance of the Human Resources Officials an appointment was scheduled with each participant. Prior to the interview the participant's readiness to partake was questioned once again to ensure openhearted and voluntary cooperation.

Thereafter the ethics, conditions and circumstances regarding the research were discussed with the participant. The confidentiality aspect was also discussed with the participant and the researcher verbally ensured each participant that all information obtained during the interview and that which was to be tape-recorded would be handled with the necessary sensitivity and would remain confidential. This ensured that the interviews were conducted in a relaxed and openhearted atmosphere.

The question and the background information that the researcher put to each participant were as follows:

"I am currently busy with a study for my Master's degree in Industrial Psychology during which I am concentrating on people following the Mining Career Path. I shall be interviewing people from designated groups in _____, specifically black Crew Captains, black Crew Captains in training, black Shift Supervisors and black Learner Officials. I would thus like to conduct an interview with you. Our interview will be audio taped for later analysis, but everything you say will be kept confidential and your name will not directly or indirectly be linked to any comments that you make. Does this arrangement suit you?"

"Thank you. I wish to start this interview with the following question: When you, as a member of a designated group, and specifically as a _____, reflect upon your experience within _____, which factors do you think lead to black workers from designated groups following the Mining Career Path, being retained by the company?"

"By designated groups I mean.... By being retained I mean staying on at the company, and not leaving the company to go and work for another company. By factors I mean different things, circumstances, happenings, other people and the like that will lead to people from designated groups either not leaving the company, or causing or motivating them to stay on at the company. Obviously, you would no doubt also think about factors that would cause people from designated groups to leave the company. In that case, what should be done concerning those factors so that "they" would not cause people from designated groups to leave, but rather to stay on at the company?"

"I shall be grateful to hear your views."

The researcher allowed all participants to respond in a way they preferred, while the researcher made use of active listening skills, maintained good eye contact and exhibited accommodating body language. The researcher also used other verbal sounds like "hmm, hmm..." to encourage the participant. Questions that could interrupt the participant were limited or eagerness to respond to comments made was suppressed. The researcher rather made use of message summarising or repetition of the question, especially when the participant lost track of the topic in question. The tapes were numbered and an index list, stating the participant's industry number, name, surname as well as the tape number, side and location was compiled.

3.5 DATA ANALYSIS

Malterud (2001, p. 5) states, "During the analysis the researchers should have a thorough knowledge of the study material, so that they are aware of the content of the data and what they mean, and so that they are able to ascertain what in the material is relevant when trying to answer the research question."

The phenomenal analysis includes horizontalising the data. Every statement is regarded as relevant to the topic and as having equal value. From the statements the meanings are listed and clustered into common themes. The themes are used to develop the textural descriptions of the experience.

According to Omery (1983) the raw data is first listed and then classified. These classifications are ranked accordingly to a percentage score resulting in the number of times these "pieces" of raw data were listed by the subjects. The data in each classification is then reduced by restructuring or elimination of vague, intricate, or overlapping explanations. Explanations that are probably not inherent are eliminated (Omery, 1983). Malterud (2001) also confirms that the researcher's task is to organise, compare and validate alternative interpretations.

According to Frogatt (2001) there is no single right way to work with the data when dealing with qualitative data analysis; there are however four common features of the qualitative data analysis process, i.e.:

- **Managing the data:** When preparing the data for analysis the data needs to be clearly labelled and indexed, so that whatever re-organisation of data is subsequently followed, it will always be traceable to its original source.
- **Describing the data:** Coding is a fundamental process within qualitative data analysis. Coding is a generic term that entails the assigning of labels to bits of data, so that all text under that label can be retrieved and brought together. In order to code data, the researcher first needs to become familiar with what the data comprises. This involves reading and re-reading the data. The data can then be simplified by coding. The

coding process allows for segments of information from different parts of the data to be brought together under one category. Throughout the process of coding, it is helpful to keep a record of the development of the codes and categories. This will help provide evidence of why decisions were made in the way they were.

- **Digging deeper:** After the identification of the categories and themes, the data can also be examined for different types of meaning. This requires the researcher to draw upon inferential skills and undertake more explicit interpretation of the data.
- **Presenting the data:** The relationships between codes as they are developed can be visualized through the use of diagrams. Quotes can also be used in presenting data and are purely illustrative of a point being made.

Gerdes and Conn (2001) report that in data analysis the data is analysed and synthesised through a developmental process, continually evolving and emerging through constant comparison of newly acquired data with previously acquired materials. This involves the identification of:

Units - desegregated data divided into the smallest part that still stands alone.

Categories - developed from triangulated data units.

Themes - developing a working hypothesis, based on the emerging units and categories.

Theory - the working hypotheses tested through member (participants) checks and follow-ups.

Giorgi's analysis, based on phenomenological philosophy, is suited for development of descriptions and notions related to human experience. The information obtained during the interviews are analysed through Giorgi's analysis, which includes a five-step analysis procedure (Malterud 2001; Omery, 1993):

- The **first step** is to get an overall impression. The researcher reads the entire description of the experience to get a sense of the whole.
- In the **second step** the researcher reads the description again, this time more slowly, identifying units in the experience. These units are discriminate, together comprising the whole meaning of the experience. Common themes are clustered together through the analysis of the identified units. The words used by the participant are the smallest analysis that could be made. A sub-theme is usually a sentence and is more complex but is also more useful to analyse. Sub-themes can be combined to determine dominant themes. The researcher analyses the data until repetitive themes are found.
- In the **third step** the researcher eliminates redundancies in the units, clarifying or elaborating the meaning of the remaining units by relating them to each other and to the whole.
- In the **fourth step** the researcher transforms the concrete language used by the participants into the language of concepts of science. The participant's exact words are used for confirmation and the themes need to be confirmed by at least two literature references.
- In the **fifth step** the researcher integrates and synthesises the insight into a descriptive structure of the meaning of that experience.

Phenomenologists typically report their findings in the form of a narrative that describes a theme or pattern. Thus the findings allow the researcher to tell a story about the context.

3.6 CHAPTER SUMMARY

This chapter concentrated on the aim and description of the empirical study. A description of the interview and the application thereof was given. The reliability and validity of the interview was also discussed after which the study method as well as a description of the analysis and applications of the data was set out.

The results of the empirical study are tabled and discussed in Chapter 4.

CHAPTER 4

RESULTS OF THE EMPIRICAL STUDY

In this chapter the results of the empirical investigation will be reported and discussed. The qualitative results will be summarised and discussed by focusing on themes in different areas.

The number of designated Crew Captains in training; Learner Officials, Crew Captains and Shift Supervisors who mentioned a specific theme; the percentage of the respondents that mentioned the specific theme; and the rank of themes for subgroups and the total group will be summarised in a table. The results will be discussed and substantiated by the specific words used by the respondents.

4.1 DESIGNATED EMPLOYEES' EXPERIENCE OF RETENTION IN A PLATINUM MINE

The results obtained from designated Crew Captains in training, Learner Officials, Crew Captains and Shift Supervisors regarding their experience of the reasons why designated employees in the mining career path stay on or leave the employ of the company, are presented in Table 2.

For each of the aforementioned sub-groups, as well as for the total group, the following information is presented regarding each theme that was mentioned:

- The theme's number.
- The number of respondents who mentioned the theme.
- The percentage of the respondents in each category that mentioned the specific theme.
- The ranking of the themes.

Table 2

Designated Employees' Experience of Retention in a Platinum Mine

THEMES	PARTICIPANTS														
	CREW CAPTAINS IN TRAINING			LEARNER OFFICIALS			CREW CAPTAINS			SHIFT SUPERVISORS			TOTAL		
	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK
1. Designated employees value opportunities of growth and development.	5	83%	1,5	4	67%	3,5	4	67%	5,5	2	33%	11			
2. Designated employees with limited education stay on at the company.	2	33%	3,5	2	33%	13	1	17%	15,5	1	17%	15,5			
3. Job title (Crew Captain) and job category cause designated employees to be unhappy.	1	17%	6,5	2	33%	13	6	100%	1	2	33%	11			
4. Designated employees are unhappy with housing allowances, subsidies, maintenance and availability of houses.	1	17%	6,5	4	67%	3,5	3	50%	9,5	2	33%	11			
5. Designated employees experience racial discrimination.				3	50%	7	1	17%	15,5	2	33%	11			
6a. Designated employees leave because of money and are poached by competitor companies.	5	83%	1,5	6	100%	1	5	83%	2	4	67%	4			
6b. Designated employees leave due to poor fringe benefits: i.e. medical, pension, transport.				3	50%	7	4	67%	5,5	1	17%	15,5			

THEMES	CREW CAPTAINS IN TRAINING			LEARNER OFFICIALS			CREW CAPTAINS			SHIFT SUPERVISORS			
	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	
6c Designated employees leave because of the bonus system (Incentive scheme).				2	33%	13	4	67%	5,5	4	67%	4	
7. Designated employees value family responsibility.	1	17%	6,5	4	67%	3,5	2	33%	12,5				
8. Designated employees expressed feelings of dissatisfaction with the company.				2	33%	13	4	67%	5,5	2	33%	11	
9. Designated employees leave after receiving training or gaining some experience.	2	33%	3,5	3	50%	7	4	67%	5,5	2	33%	11	
10. Designated employees reported that work and safety conditions are good.				2	33%	13	3	50%	9,5	3	50%	7	
11. Employees are managed by fear.				2	33%	13	4	67%	5,5	4	67%	4	
12. Not enough people to do the job.				2	33%	13				2	33%	11	
13. Designated employees do not feel valued and listened to.	1	17%	6,5	4	67%	3,5	2	33%	12,5	4	67%	4	
14. Designated employees experience a lot of work pressure.				2	33%	13	2	33%	12,5	4	67%	4	
15. Job security causes designated employees to stay.				2	33%	13	2	33%	12,5	5	83%	1	

The following deductions can be made on the basis of the results regarding designated employees' experience of retention in Table 2. These deductions are supported by direct quotes of respondents. Grammatical mistakes may be present and are not corrected in order to illustrate how designated employees experience these retention factors.

- **Theme 6a: Designated employees leave because of money and are poached by competitor companies (Rank = 1).** This theme is mentioned by most (20) respondents who reported that they consider money to be the most important factor why employees leave. In all four the sub-groups this theme emerged as one of the highest ranks where the rank of Crew Captains in training is 1,5, Learner Officials' rank is 1, Crew Captains' rank is 2 and Shift Supervisors' rank is 4.

The fact that Shift Supervisors scored the lowest of the four sub-groups indicates that the higher employees move up in the career path, the more likely it is that other factors, rather than money, will become more important to them e.g. job security. But at lower levels money is indeed an important retention factor. In general Crew Captains are under the impression that other mining companies are paying better.

Competitor companies poach employees due to the fact that the demand for designated employees exceeds availability. The company that pays the best or is perceived by employees to be paying better will attract most employees.

Some employees reported that although the company offers good training opportunities (as can be seen in Theme 1, rank 2), the payment is not good. Thus although they value the training and development opportunities, they will still leave the company for better offers elsewhere.

Others also reported that they are the only breadwinner with a big family to support. Most employees reported that they think about leaving when they hear that other companies are paying more. The people compare their salaries and if they are not happy with their payment they will follow those who have already left.

Some employees reported that managers or friends, who left to work for the competition, will try to convince their previous subordinates or friends to move to the other company by promising them more money.

- ◇ The following expressions by respondents can be applied to this theme: "...packages is not good."; "...one of the reasons the people leave the company, because of the money."; "...they complain about the money..."; "...know that will not get the same salary, but at least must be slight difference in the salary, because that is the only problem why Crew Captains are leaving..."; "...money as you know, it always motivate people, even if you are not happy with your salary, you go for greener pastures."; "Money is the big issue."; "...have two friends who left. The other one just resigned ... is complaining about money ... every one is complaining about money."; "Mostly it is financial incentives."; "I think that money is also playing a big role. It is a great motivating factor. Some of the guys tends to lose their vision, just because of the money."; "The other thing I just heard people say is that there is no money here."; "The educational part...they are doing much more than the other companies. But if they can review their salary part...I think it will be the best company you want to work with."; "...they will develop you but they won't give you money."

The following deductions can be made regarding poaching of employees:

- ◇ Employees perceive that competitors pay better, which has an influence on turnover. This can be confirmed by the following expressions: "...they must at least compare to other companies...when coming to our salary...I will not stay long here."; "...I have two friends who left...it is on money."; "If someone come with a very good offer from that side...I just have to go."; "...from other company, he is getting more and doing the same job...maybe if I can get a job there."; "Some compare what will get here and get there and leave."; "Salaries too low according to their counterparts...this is why they are leaving..."; "...not enough money....leave this company to other companies."; "There are companies still doing the same job and they are paying better."; "...we are here for money. So if I am not satisfied on the money, I would leave the company."; "...the other companies' money is better.";

“...they must review their salary packages.”; “...guys who leaves the company to go to other companies ... the first thing is the salary... the some guys decide to resign to follow that guy.”

◇ Griffeth and Hom (2001) state that the single best predictor of turnover is an employee's intention to quit the job. Employees who express strong intentions to leave eventually do leave. The following expressions also confirm the employees' intention to leave: “Other places where conditions are better you will rather leave.”; “Shift Supervisors here are good Shift Supervisors and they will lose them unless change things on shaft.”; “Maybe it is better to go to Swartklip.”

- **Theme 1: Designated employees value opportunities of growth and development (Rank = 2).** This theme is mentioned by 15 respondents who reported that they value growth opportunities and educational incentives. These 15 respondents are represented by five (5) Crew Captains in Training (rank 1,5), four (4) Learner Officials (rank 3,5), four (4) Crew Captains (rank 5,5) and only two (2) Shift Supervisors (rank 11).

Organisations with an effective development programme tend to be more successful in retaining employees.

The following deductions can be made regarding the value of growth opportunities and educational incentives:

◇ Designated employees who perceive an opportunity for growth are more likely to stay. Designated employees realise that opportunities to be promoted are also now possible for them and that is not just whites who are being promoted. This can be confirmed by the following expressions: “...things that makes people to stay... chance to be a Crew Captain, and then from your performance you can be trained as a Shift Supervisor.”; “...designated people is to take part, to participate in the mining career path.”; “...people who wish to stay...have a chance of moving up in the organisation.”; “...reason...designated group are retained...can progress to a higher level.”; “...for me things are getting bit improving...getting experience...shall be appointed as a Shift Supervisor.”; “...I will be promoted to a

Crew Captain and I will be a miner. I will never leave this company because they helped me."

- ◊ Designated employees link training and development directly to the possibility of advancement in the career path. Therefore the assistance in growth and educational development are valued by designated employees. This can be confirmed by the following expressions: "...they want to further your studies within the company. The company gives you the chance to do whatever you want to do."; "...given the change to take the study loans."; "...is willing to study...such people tend to stay."; "...my intention ...just want to go to school for that Mine Captain CertificateI am going to work here until I don't know."; "...things that can make people to stay in our company...you get better schools and better training than the other companies. Many of the companies they say this is the best training company."; "...for me training is very important."; "Will stay because happy with the training."; "by giving them courses...promoting their career path...that keep them to stay on in the company."; "...the opportunities are there within the company to improve our studies, like going on this Crew Captain course and you know when going on this course you will have more opportunities to become somebody"; "That is why you are so motivated that you can't leave the company."; "(The company) is good in developing designated people from labourers to Crew Captains."; "...is good company because it doesn't select which people are trained for better jobs..."
- **Theme 3: Job title (Crew Captain) and job category cause designated employees to be unhappy (Rank 4).** This theme has the highest rank for Crew Captains (rank = 1) and did not manifest itself as strongly among Crew Captains in training (rank = 6,5), Learner Officials (rank = 13) and Shift Supervisors (rank = 11).

Before the Crew Captain occupation (daily paid category) was introduced, there used to be a Team Leader (a daily paid category). The next level was that of a Miner (a Union Man category), who was also the first level to obtain a blasting certificate and who reported directly to the Shift Supervisor. The Team leader and Miner level were dropped from the career path and the Crew Captain (daily paid category) was introduced to replace that of the Team Leader and Miner. The Crew

answer is no...”; “They are training Crew Captains, the next thing they are gone, they are training for other companies.”; “...all of our experience...leave...start the new fresh service...”; “...training is the best. Most of people from other mines are originally from (the company under study).”; “...some of us doing the course by thinking...just get our blasting certificate, from there will be looking for greener pastures...”; “...train people very well...go to work at other companies those companies is so happy.”; “...sorry to say they train the people only for people to leave when obtain the blasting certificate...”

- **Theme 13: Designated employees do not feel valued and listened to (Rank = 4).** This theme has the same rank as the previous one and is mentioned by 11 respondents who reported that they do not feel valued or listened to. This theme has higher ranks for Learner Officials (Rank 3,5) and Shift Supervisors (Rank 4) than for Crew Captains in training (rank 6,5) and Crew Captains (Rank 12,5).

The higher level designated employees (Shift Supervisors and Learner officials) seek some recognition.

The following expressions by respondents can be applied to this theme: “Only if the management were to take people’s views into consideration...people would want to stay...”; “...you are in an organisation who does not value you as an employee...you are just another number...”; “According to me no one is listening...”; “Some of the people are good people but they do not recognise them.”; “...frustrated by the autocratic management style...”; “...does not get the assistance they think they deserve...to be de-motivated which lead to them to look for greener pastures”; “...they feel that they are not so important in the company, so they leave.”; “...the Mine Overseer not want to listen to the Shift Supervisor...the Shift Supervisor feel best to leave the job and look for job at other places”; “If Mine Overseer communicate with Shift Supervisor, maybe can be much better”; “The complaint is ... not having a say in our company. We are treated as persons who actually is depending on somebody all the time.”

- **Theme 4: Designated employees are unhappy with housing allowances, subsidies, maintenance and availability of houses (Rank = 7).** This theme has the highest rank for Learner Officials (Rank = 3,5) and did not manifest itself as strongly among Crew Captains in training (Rank = 6,5), Crew Captains (Rank = 9,5) and Shift Supervisors (Rank = 11).

Employers need to be competitive with their benefits if they want to retain employees. In this case employees reported that competitor companies provide housing or better housing allowances as soon as they (the employees) are signed on.

Some Crew Captains also complained that if they were to be Miners their housing benefit would have been better. Other also reported that services from the housing department are poor.

The following expressions by respondents can be applied to this theme: “We need...housing allowance or maybe houses for some of us who are married”; “...the problem is I haven’t got the place to stay...I am staying in a shack...can you imagine....I have access to housing allowance but I haven’t got place to stay.”; “...before I came here they promised me to give me certain accommodation...now they don’t give me...”; “...the miner use to have houses...”; “...people must have their own houses, not rent house of company...”; “...the other thing of Crew Captains is the housing... you can not stay with your worker in the hostel.”; “There is no housing, you must pay for that house, but the other company they give you a house, you only pay electricity.”

- **Theme 6c: Designated employees leave because of the bonus system (Incentive scheme) (Rank = 7).** This theme is mentioned by ten (10) respondents who reported that they are not satisfied with the bonus system. These ten (10) respondents are represented by four (4) Crew Captains (Rank = 5,5), four (4) Shift Supervisors (Rank 4) and two (2) Learner Officials (Rank 13).

The Crew Captains complain that the bonuses are lower than what the Miner use to get. Some also complain that the targets are set too high and therefore they will not receive any bonus.

The following expressions by respondents can be applied to this theme: "...the benefits are not good at all...other mines pay according to their categories as miners."; "...Crew Captain is a daily paid and a Miner use to be monthly paid and the bonus system in place was totally different."; "Bonuses on paper it is the best bonus system, but it is not achievable, because you can not achieve your targets."; "...the bonus is nothing you can achieve."; "...we qualify for production bonuses...we do not get sweeping, safety like other mines where the Miners did get those bonuses"; "... most people are complaining about the bonus system."; "...bonus make us to leave..."; "...bonuses are amongst the lowest...I think in the other mines what I know of."

- **Theme 11: Employees are managed by fear (Rank = 7).** This theme has the same rank as the previous one and is mentioned by ten (10) respondents who reported that they are managed by fear. These ten (10) respondents are represented by (four) 4 Crew Captains (Rank = 5,5), four (4) Shift Supervisors (Rank 4) and two (2) Learner Officials (Rank 13).

Supervisors carry a great responsibility for retention of employees. Employees that have a poor relationship with their managers will seek employment elsewhere. Some employees reported that they are managed by fear and that management is shouting at them and not talking to them. They can not talk to their supervisors when they need assistance or to explain situations when trouble exists.

The following expressions by respondents can be applied to this theme: "...a case of you do this or else..."; "...need to send them to courses to learn how to supervise people."; "...out of fear of losing their jobs they have to press on..."; "...there is a culture of instilling fear into people."; "...managing by getting them terrified..."; "...if you don't achieve your target you are a "sleg" Shift Supervisor and you will get the charge at the end."; "...I am so afraid to talk to management..."; "...if do not give me this I am going to fire you..."; "...the Mine Overseer start to shout, I think next time if I got the problem, I will be to afraid to tell the Mine Overseer...because I know he will shout me...what I can do is leave the mine."; "Supervisors want us to be afraid of them. They must just stop shouting at us. It is all that they use to do is shout. All and all their approach is not good."

- **Theme 15: Job security causes employees to stay (Rank = 9).** This theme has the highest rank for Shift Supervisors (rank = 1), but did not manifest itself as strongly among Learner Officials (rank = 13) and Crew Captains (rank = 12,5).

The Shift Supervisors are more advanced in the career path and will have more work and personal experience than the Crew Captains. Employees of different ages value different things. Some employees reported that they know what they have got and do not know what they will get if they move to another company.

The following expressions by respondents can be applied to this theme: "...better stay here...each and every house has it's own problems..."; "...gold in this point ...has no future...coming from there, I know... so I think job security would rather come..."; "...people who are staying here ...is the adults, so they are responsible..."; "...the company is an expanding company. One would like to stay in a company where rapid growth are..."; "...a lot of years working here...not easy to leave..."; "...have been through hard times and it is like you relax a bit when you get promoted to a higher position..."

- **Theme 6b: Employees leave due to poor fringe benefits, i.e. medical, pension and transport (Rank = 11, 5).** This theme only manifested in the case of four (4) Crew Captains (rank 5,5) and three (3) Learner Officials (rank 7), but it did not manifest itself as strongly among Shift Supervisors (rank 15,5).

These benefits can be used to retain employees.

The following expressions by respondents can be applied to this theme: "...the benefits are not good at all...the medical is not good at all."; "...we have no pension fund..."; "...I am not satisfied with the benefits..."; "...cause people to leave is the provident fund..."; "...if more benefits in this company they will stay..."; "Transport is a problem ... other Learner Officials from other companies get transported around."

- **Theme 8: Designated employees expressed feelings of dissatisfaction with the company (Rank = 11,5).** This theme has the same rank as the previous one. Four (4) Crew Captains (rank 5,5) expressed their dissatisfaction with the company, and two (2) Learner Officials (rank 13) and two (2) Shift Supervisors (rank 11) reported the same.

The following expressions by respondents can be applied to this theme: "...the problem is ...I am not satisfied with this company..."; "...people are not encouraged to stay..."; "...some smiling ... but the rest..."; "...feel like I made a big mistake by joining this company..."; "...overall... does not care about its employees..."; "...there are some things I see that I can not trust..."; "...really not feel happy..."

- **Theme 10: Designated employees reported that work and safety conditions are good (Rank = 11,5).** This theme has the same rank as the previous one. Three (3) Crew Captains (rank 9,5), three (3) Shift Supervisors (rank 7) and two (2) Learner Officials (rank 13) reported that the work and safety conditions are good.

The good work and safety conditions of the mine are one of the factors that make employees to stay. When a mining company has good safety statistics the company can be considered as an employer of choice.

The following expressions by respondents can be applied to this theme: "...the work conditions is very good."; "...the conditions here is 60-70% more safe than gold mining...is much more safe."; "...the conditions of the ground is very good ... will make people to stay, but not all will stay."; "...according to the accidents we do not have so many."

- **Theme 14: Designated employees experience a lot of work pressure (Rank = 11, 5).** This theme has the same rank as the previous two. Most Shift Supervisors (rank 4) reported that they experience a lot of work pressure and only (two) 2 Learner officials (rank 13) and two (2) Crew Captains (12,5) reported the same.

The job content is a very important if not the most important reason employees would change jobs. There is a lot of pressure in reaching the targets and if these targets are not reached the employees' job satisfaction will be reduced.

The following expressions by respondents can be applied to this theme: "...some supervisors refuse to accept that there is any reason that you can prevent people from reaching their target."; "...working under a lot of pressure..."; "...according to the pressure... everybody can choose to take the other job."; "...can not cope with the pressure..."; "...can not manage under such extreme pressure."; "Personally I think the pressure is too much."

Theme 7: Designated employees value family responsibility (Rank = 14). Most Learner Officials (rank 3, 5) reported that they value family responsibility and only one (1) Crew Captain in training and two (2) Crew Captains (rank 12, 5) reported the same.

Some employees reported that they can not leave due to family responsibilities. Employees expressed their concern to provide food, clothes and education to their family.

The following expressions by respondents can be applied to this theme: "...the kids and wife they are looking for you...they want something to eat and something to dress"; "...got children to take to school"; "...find that my child can not go to university"; "...why we do not leave is that we are thinking about our families."

- **Theme 2: Designated employees with limited education stay on at the company (Rank = 15,5).** This theme is mentioned by six (6) respondents who reported that employees with limited education stay on. These six (6) respondents are represented by two (2) Crew Captains in Training (rank 3,5), two (2) Learner Officials (rank 13), 1 Crew Captains (rank 15,5) and only 1 Shift Supervisor (rank 15,5).

Some employees reported that they will stay on due to the fact that they are not educated.

The following expressions by respondents can be applied to this theme: "...Crew Captains that leave the company are Crew Captains that can read and write"; "...what leads people not leaving the company is the fact that they don't have qualification..."; "...who last long are those who did not go to school."

- **Theme 5: Designated employees experience racial discrimination (Rank = 15, 5).** This theme has the same rank as the previous one. 50% of the Learner Officials (rank 7) reported that they experience racial discrimination and only one (1) Crew Captain (rank 15, 5) and two (2) Shift Supervisors (rank 11) reported the same.

The following expressions by respondents can be applied to this theme: "...whites...there must be houses for them but what about us..."; "...there is a lot of 'apartheid'... the white people get this..."; "...when you are white you get maximum..."; "...there is a category for whites and a category for the blacks."

- **Theme 12: Not enough people to do the job (Rank = 17).** This theme is mentioned by four (4) respondents who reported that there are not enough employees to do the job. These (four) 4 respondents are represented by (two) 2 Learner Officials (rank 13) and two (2) Shift Supervisors (rank 11).

A shortage of employees to perform the job, adds to the work pressure as mentioned in theme 14.

The following expressions by respondents can be applied to this theme: "...we got 120 to 150 people per day who is not at work..."; "...doing that man's job and must do own job"; "...the problem is just the complement of people..."

4.2 DISCUSSION

The following deductions can be made on the basis of the results regarding the reasons why designated employees stay on at the company:

- The older employees that had already advanced in the career path indicated that job security caused them to stay on at the mine. This confirms that employees of different

ages value different things. The higher employees move up in the career path the more likely it is that other factors, rather than money, will become more important to them e.g. job security. Some employees also reported that they know what they have and do not know what they will get if they move to another company. Levin et al. (2001) state that younger employees with shorter length of service are more likely to leave. Chambers (2001) and O'Malley (2000) state that loyalty is higher among older employees than younger employees.

- Designated employees that are busy with training reported that they value the opportunity to further their education and uplift their skills, for this is a direct link to promotion and advancement within the company. O'Malley (2000) states that employees who are given the chance to develop will be most satisfied.
- Some employees reported that they will stay on due to the fact that they are not educated. This implies that employees with limited education are more likely to stay and that the demand for lower educated employees is less than for their educated counterparts. Levin et al. (2001) report that better educated employees are more likely to leave, which implies that employees with limited education are more likely to stay.
- The good work and safety conditions of the mine is one of the factors that make employees want to stay on. When a mining company has a good safety record the company can be considered as an employer of choice. Dibble (1999) states that being an employer of choice gives a company a competitive advantage in attracting and retaining employees. Rich (2002) also state that employees value the company's reputation.

The following deductions can be made on the basis of the results regarding the reasons why employees leave the company:

- Overall, money remains the most important factor in the retention of skills. Most participants reported that designated employees leave the company due to poor wages. It seems that younger employees at lower levels value money more than the older, more experienced/higher level employees. According to the research of Kinnear and

Sutherland (2000), the findings confirm that financial reward is a primary motivator. O'Malley (2000) also states that most employees leave as a result of money.

- Employees are poached by competitor companies. The company that pays the best will attract most employees, due to the fact that demand exceeds availability. Former employees that left the company to work for the competitor also lure their subordinates or friends by promising them more money. Maclachlan (1985, p. 12) states that "When an economy is in a growth phase the availability of alternatives, the demand for skills and opportunities for movement because of alternative employment, become real factors in labour turnover."
- Designated employees are sensitive about their job title, job category and job descriptions. They compare the position of Crew Captains (a blasting certificate holder on a daily paid category) with the previous structure that was in place where the Miner was the Blasting Certificate holder in a Union Man category who reported to the Shift Supervisor, and the Team Leader (without a blasting certificate) on a Daily Paid category who reported to the Miner.

Dibble (1999) states that the job description should achieve the following four goals in order to support retention:

- ◇ State the purpose of the job.
 - ◇ Describe the basic responsibilities.
 - ◇ List the skills needed to perform the responsibilities.
 - ◇ Describe the working conditions.
- Although designated employees reported that they value education and training received from the company and that it will cause them to stay on for it offers them a better chance to be promoted, they also reported that after being trained they will leave. This seems to be due to the fact that these employees, once they are trained, are in demand and are poached by the competitors. Billsberry (2000) states that employees look for work elsewhere if there is a lack of opportunity for growth and development.

Chambers (2001) also states that employees will leave if they believe it is the only way to move up.

- Designated employees want to be recognised for their time and contributions, and it seems as if the higher level designated employees seek some form of recognition. Manas (1998) states that employees want to be recognised for their time and contributions and that non-financial recognition has an impact on morale. Kaye and Jordan-Evans (1994) also report that money is not the only motivator and that recognition does matter.
- Housing benefits also seems to one of the major reasons why these employees leave the company. They compare the benefits they receive with that of the competitors and reported that competitor companies provide housing or better housing allowances as soon as they are signed on. Some Crew Captains also complained that if they would have been Miners their housing benefits would have been better. Kaye and Jordan-Evans (1999) and Woodruffe (1999) report that money is not the only motivator that makes employees want to stay.
- The designated employees reported that they are not happy with the bonuses. The Crew Captains complain that the bonuses are lower than what the Miners used to receive. The Shift Supervisors complained that the targets set are too high and therefore they will not receive any bonus. According to Dibble (1999) incentives can be used as a motivational tool to retain employees. Woodruffe (1999) and Bussin (1994) also state that employers must provide incentives if they want to hold on to talented employees.
- The relationship between supervisors and their sub-ordinates is an important factor when it comes to the retention of employees. Employees that have a poor relationship with their managers will seek employment elsewhere. Some employees reported that they are managed by fear and that management is shouting at them and not talking to them. Kaye and Jordan-Evans (1999, p. 77) state, "Employees will leave if they don't like their boss even when they are well paid, receive recognition and have a chance to learn and grow." Griffeth and Hom (2001, p. 16) also state that: "...abusive

supervision is often responsible for many forms of workplace injustice that can instigate resignations”.

- Designated employees complained about medical, pension and transport benefits. Chambers (2001) states that healthcare benefits are the most important benefit in hiring and retaining employees. O'Malley (2000) also states that employees have differently opinions about which benefits are important to them e.g. starting a career versus nearing retirement; or being married versus being single.
- Some designated employees reported feelings of dissatisfaction with the company. Employees should want to work for the company and the company should be an employer of choice if the company wants to retain its employees. Chambers (2001, p. 290) states that “To retain people there has to be a lot of organisational caring.” According to Michaels et al. (2001) it is the company's job to sell itself to the candidate.
- Designated employees reported that there is a lot of pressure in reaching the targets and if these targets are not reached the employees' job satisfaction will be reduced. A shortage of employees to do the work also adds to the work pressure. Rich (2002, p. 49) state that “Having too little time to do the job can result in lifestyle issues, employee burnout and reduced job satisfaction because the employee cannot do the job properly.” According to Chambers (2001) employees want to believe that their jobs are vital to the organisation's success.
- Some employees reported that they value family responsibilities. Employees expressed their concern to provide food, clothes and education to their families. Chambers (2001) states that employers must note the importance of the spouse, significant others, parents or anyone else who is important to the employees' support systems.
- Some designated employees reported that they experience racial discrimination when comparing their own conditions of employment with that of “white employees”.

4.3 CHAPTER SUMMARY

In this chapter the results of the empirical investigation were reported and discussed. Hereby the second research question has been answered, and the research objective, namely to *identify variables that influence retention of designated employees in a platinum mine*, has been reached.

In Chapter 5 the conclusions, limitations and recommendations of this research will be discussed.

CHAPTER 5

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

In this chapter the conclusions and limitations of the research will be discussed. Thereafter, recommendations will be made.

5.1 CONCLUSION

The conclusions of the research will be discussed based on the specific objectives of the research.

The following conclusion can be reached regarding the first specific objective, namely to define what is meant by retention and to determine which factors may influence retention of employees.

Retention of skills means keeping in employment employees of which the organisation has a positive evaluation and who would normally voluntarily resign (the avoidable quits). There is no single factor influencing retention. Before organisations can retain employees, they should be aware of which factors cause employees to leave as well as which factors keep them at a company.

Factors that drive voluntary turnover and influence retention are as follows:

- Financial rewards i.e. salaries/payment.
- Incentives i.e. project completion incentives, stock options, hiring incentives, longevity bonuses, healthcare benefits, educational incentives and tuition reimbursement, accelerated vacation benefits, lifestyle support, technology selections options, flexible hours, child care referrals, healthcare administrative assistance, future outplacement services, retirement benefits, lifelong learning, exercise facilities, e-mail free days (in customer service departments), casual attire, dress-up days, do something different days and organisationally sponsored adventure travel.

- Non-financial rewards i.e. growth opportunity, flexibility, meaningful work, a good boss and recognition.
- Economic climate i.e. a growing economy gives a high level of employment opportunities.
- Being an employer of choice.
- Proper job descriptions including tasks listed and required skills identified.
- Recruiting and hiring practices i.e. relevant selection sources, urgency to hire, selection criteria and structured interviewing.
- Hiring external candidates instead of looking at internal potential.
- Reliable reference checks.
- Assessments, i.e. realistic job requirements and reliable exit ratings.
- Organisation culture: Culture fit determines whether someone is highly likely to stay.
- Length of service: Turnover is higher among short service employees.
- Orientation, training and development: Regarded as one of the most effective ways of retaining employees.
- Job content: When employees enjoy their jobs and find it interesting they tend to stay longer.
- Career opportunities: Employees will leave if it is the only way to move up.
- Supervision: Employees will leave if there is not a healthy relationship between them and their supervisors.

- Performance review and compensation: Employees should be rewarded according to the value that they add.
- Family responsibility: i.e. child care facilities, job sharing, creative maternity leave programs etc.
- Accountability: Retention is the responsibility of the direct supervisor, second in line supervisor, Human Resources and the Manager.

The following conclusions can be drawn from the research regarding the second research objective, namely to identify variables that influence retention of designated employees in a platinum mine.

- Regarding employees **leaving for more money and as a result of “poaching”** the following conclusions can be drawn:
 - ◊ Designated employees on the lower levels are more likely to leave for more money than employees on the higher levels. The higher level employees move up in the career path, other factors than just money become important i.e. job security.
 - ◊ Designated employees are poached by competitor companies due to the fact that the demand exceeds availability. The company that pays the best will attract the most employees.
 - ◊ Managers or friends, who left to work for the competition, lure their subordinates or friends by promising them more money.
 - ◊ Designated employees from the company under study are of the opinion that the competitor pays better. Employees think about leaving when they hear the other companies offer better payment. Once employees think about leaving the chances are good that they probably will leave.

- ◇ Employees compare their salaries and if they are not happy with their payment they will follow those who have already left.
- Regarding **opportunities of growth, training and development** the following conclusions can be drawn:
 - ◇ Designated employees on the lower levels value opportunity for growth and development more than designated employees on the higher band.
 - ◇ Designated employees value the opportunity for training and development, as this provides opportunities to be promoted.
 - ◇ Some designated employees reported that although the company offers good training opportunities, the payment is not good. Thus although they value the training and development opportunities, they will still leave the company for better salaries. The training and development they received makes them marketable.
 - ◇ Designated employees with limited education remain with the company, as they are not as marketable as their educated counterparts.
- Regarding **job title and job category** the following conclusions can be drawn:
 - ◇ Designated employees reported dissatisfaction with the job title Crew Captain, the job content and job category. They compare Crew Captain with that of Miner in the previous structure. Both are blasting certificate holders, but the area of responsibility differs in the sense that the present Crew Caption has a smaller section to manage and therefore the job category is also lower (daily paid and not union man), which leads to less benefits i.e. housing benefits.
- Regarding employees **not feeling valued or listened to** the following conclusions can be drawn:

- ◇ Designated employees at a higher level seek more recognition. Not receiving recognition affects the morale of these employees.
 - ◇ Designated employees don't want to be just another number; they want to be heard.
- Regarding **housing benefits** the following conclusions can be drawn:
 - ◇ Competitor companies provide better housing benefits. The employer needs to be competitive with its benefits if it wants to retain its employees.
- Regarding the **bonus system** the following conclusions can be drawn:
 - ◇ Crew Captains once again compared themselves with the Miners of the previous structure and complained that even though they are blasting certificate holders, they do not qualify for the same bonuses the miners used to receive.
 - ◇ Other designated employees complained that the targets are not achievable and therefore they will not receive any bonus.
- Regarding **management by fear** the following conclusions can be drawn:
 - ◇ Designated employees reported that management is shouting at and not talking to them.
 - ◇ Designated employees are too scared to ask for help when they need assistance or to communicate to the supervisor when trouble arises.
- Regarding **job security** the following conclusions can be drawn:
 - ◇ Employees of different ages value different aspects. Shift Supervisors value job security more than Crew Captains do.

- ◇ Designated employees that had already achieved something are more careful in moving to another company, for they know what they have but do not know what they will be getting.
- Regarding **fringe benefits** the following conclusions can be drawn:
 - ◇ Designated employees complain about medical benefits. Healthcare is an important benefit if the company wishes to retain employees.
 - ◇ Designated employees complain about their pension fund.
 - ◇ Some employees report that employees from other companies get transported around.
- Regarding **feelings of dissatisfaction with the company** the following conclusions can be drawn:
 - ◇ Designated employees reported a general feeling of dissatisfaction with the company. This is a result of several frustrations that have built up over a period of time.
 - ◇ A company should be an employer of choice if it wishes to retain employees.
- Regarding **safety management** the following conclusions can be drawn:
 - ◇ The good work and safety conditions at the company is one of the reasons that make designated employees want to stay.
- Regarding **work pressure** the following conclusions can be drawn:
 - ◇ Most designated Shift Supervisors experience a lot of work pressure. This results in burnout and a reduction of job satisfaction. This has a negative impact on the employees' productivity and also leads to high turnover.

- ◊ Designated employees also report that there are not enough people to do the job and this also adds to the work pressure.
- Regarding **family responsibility** the following conclusions can be drawn:
 - ◊ Designated employees express concern to provide for their families' basic needs i.e. food, clothes and education. Family needs should be taken into consideration when the company wants to retain its employees.
- Regarding **racial discrimination** the following conclusions can be drawn:
 - ◊ Designated employees draw a distinction between whites' benefits and that of blacks.

5.2 SHORTCOMINGS OF THE RESEARCH

The following shortcomings of this research should be taken into account:

- The quality of the interview could have been better through testing the hypotheses with participant checks and follow-ups.
- Only designated employees that were still in employment were interviewed and not those who had already left the company.

5.3 RECOMMENDATIONS

5.3.1 Recommendations regarding the retention of designated employees

The challenge for any organisation is to retain the services of its star employees. This is not a simple process, as different factors affect individuals in different ways. Therefore it is not possible to isolate or select one or two factors to concentrate on in order to guarantee the retention of skills in the organisation. A holistic approach should be followed and by achieving this, the company will succeed in retaining a fair percentage of skilled individuals.

Based on the results of this study, the following recommendations can be made regarding the retention of designated employees:

5.3.1.1 Recommendations regarding monetary/financial aspects

- In order to promote external equity and to keep pace with the main competitors, the company needs to compare its salary scales with others in the market and adjust the salaries if necessary. The company should also participate in the same remuneration survey as that in which the competitors participate. Valuable information regarding competitiveness will be gained. This will reduce the chances of employees being poached all the time.
- The company should investigate the possibility to implement a total guarantee package. Total guarantee packages allow both the organisation and employee to know the true monetary worth of the employee.
- The company needs to identify what employees from different levels value the most and address these issues, as higher level employees indicated that they value job security more than money.
- When employees compare their salaries and benefits with that of their counterparts employed by the competitor, they compare apples with pears due to the different pay structures of the different companies. Therefore employees need to be educated in the different pay structures and they need to compare the job descriptions and area of responsibility as well.
- The incentive scheme needs to be reviewed annually to determine whether it is still relevant and in line with the changing environment.
- The company also needs to investigate the possibility of employee share options and determine the feasibility of the implementation thereof.
- When attracting new employees the company should consider hiring incentives in order to attract and retain the best candidates.

5.3.1.2 Recommendations regarding recruitment, selection, placement and development of designated employees

- The company should take special care in the recruitment and selection of employees. A large percentage of the turnover companies experience may be ascribed to employees and the organisation being mismatched.
- Employees that the company want to retain (high flyers) need to be identified and placed on a structured development programme. These employees should be informed that they are earmarked for a higher position in order to keep them motivated to stay on. Monthly follow-ups also need to take place and their (the high flyers') progress should be monitored.
- The company should as far as possible promote employees from within in order to reward loyalty on the part of present employees. The company must be seen as caring and rewarding positive, loyal employees.
- The company's training record is highly recommended in the market, thus employees realise that after being trained by the company they are highly valued by the competitors and are easily poached. The company should put contracts in place for employees to remain in the service of the company for a certain period of time after receiving training.
- The company must ensure that all new employees receive induction in order for them to properly familiarise themselves with the organisation. Aftercare also needs to be conducted to determine whether the employees are happy in their new positions.
- The company must follow-up on the information gained from exit interviews. The statistics must be reviewed and acted upon.
- The company needs to revise the career path structure, especially the Crew Captains' job title, job category and job description.

- Management should attend diversity management courses which address issues such as culture awareness and valuing and respecting differences.
- A series of workshops needs to be conducted on changing the organisation culture and climate; not just to retain employees but also to become an employer of choice. A change in culture may result in higher turnover in the short run, for certain individuals who are currently employed may no longer fit in and may opt to leave.

5.3.1.3 General recommendations

- Designated employees don't want to be regarded as just "numbers" the company employs in order to balance the equity figures. All employees (not just designated employees) should be recognised for their contributions. Recognition can be obtained through an article in the company's news letter, a day off and by way of awards being offered.
- Both managers and the HR department should take primary ownership for retention of skills as they hold the keys to offering employees what matters most - to simply care about the people as people, showing appreciation and treating them with respect.
- Housing benefits play an important role in the attraction and retention of skills. The company's accommodation procedure needs to be revised in order to be more competitive with its housing benefits if the company wants to retain its employees.

Due to the economical growth of the area, housing shortages have increased. This has caused property prices to increase well above market related level which has a big impact on affordability. The fact that the company has a shortage of houses makes it even more attractive for present and potential employees to accept employment with the competitors.

- A performance management system needs to be developed in order to objectively measure the performance of individuals and to compensate them accordingly. The

system should be implemented from the lowest levels right up to the Management level. This will allow the company to maximise the value of the individual's contribution and to create desirable outcomes. The individuals will also receive feedback on their performance and will be compensated accordingly. Employees that do not perform that well may also opt to leave. In these cases turnover is not always undesired.

- The mining environment is known for its harsh language and autocratic management style. Managers should attend a training programme, which addresses topics such as: effective communication and supervisory skills, and valuing one another's differences.
- The competitors' monetary contribution towards medical funding is far better than that of the company under study. The company's medical scheme only covers the employee and not the employee's immediate family/spouse. The company needs to review its medical benefits as this can be one of the major factors in retention.
- To ensure its competitiveness with regards to its pension fund, the company needs to review its contribution towards the pension fund.
- Due to economic pressure the company has a big drive on efficiency which adds to the work pressure. Not only managers but also employees feel the pressure when fellow employees are absent from the workplace. Employees should have a say in the penalisation of fellow employees that are absent i.e. less bonus.
- Employees should be encouraged to make use of the company's Employee Assistance Programme should they experience too much pressure.
- Designated employees expressed the concern for providing for their families' basic needs i.e. food, clothes and education. The company does provide financial assistance for education to a number of employees' children who perform well at school. A number of mining related bursaries are also available for employees' children. The company may want to extend the number of bursaries they allocate to children of employees.

- Some of the lower level employees are immigrants who have two families to support. The company can assist employees by providing financial life skill training.
- The company needs to run diversity management training programmes for their employees that will address all forms of discrimination.

5.3.2 Recommendations regarding further research

Based on the results of this research, the following recommendations for future research can be made:

- Quantitative research should be conducted by means of questionnaires to assess the intensity of factors influencing the retention of designated employees. Themes following from this research can be used in the construction of the questionnaire.
- Quantitative research can be conducted through a questionnaire to compare intensity of factors influencing the retention of designated employees in different mining companies. The themes of this research can be used in the construction of such a questionnaire.

Hereby the third research question has been answered and the specific research objective, namely to make recommendations on how to retain designated employees has been reached.

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