

UNIVERSITY OF KWAZULU-NATAL

**EMPLOYEE TURNOVER AND RETENTION IN SOUTH AFRICAN
MUNICIPALITIES: THE CASE OF SISONKE DISTRICT MUNICIPALITY**

By

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DECLARATION

I, Nomonde Mnukwa declare that

- (i) The research reported in this dissertation except where otherwise indicated, is my original research.
- (ii) This dissertation has not been submitted for any degree or examination at any other university.
- (iii) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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ABSTRACT

In South Africa municipalities are a key cornerstone in the delivery of services to citizens. Managing human resources becomes essential, especially given the fact that municipalities are service organisations and major infrastructural backlogs exist within the country. Furthermore, effective planning, operations and maintenance of the infrastructure are continuously required; this calls for competent human resources. The KwaZulu-Natal Integrated Development Plans Appraisal Committee requested the Sisonke District Municipality in KwaZulu-Natal to address the issue of high employee turnover in the municipality and develop a retention strategy. This study was therefore intended to establish and investigate the factors that contribute to the turnover of employees at the said Municipality. The research was conducted with a sample of 40 of the Municipality's staff members across all its departments. A survey research strategy was selected for this study, and self administered questionnaires were utilised to collect data from the respondents. The results revealed that lack of recognition; pay; no performance rewards; lack of consultation during policy development; lack of performance assessments; poor communication; better career prospects elsewhere; and no training and development by managers contribute to high employee turnover in the municipality. Furthermore, the study established that there was no relationship between employee turnover and the councillor-employee relationship, the rural nature of the municipality or ethnic discrimination. However, the results indicated that a relationship existed between employee turnover and working conditions in the municipality. It is consequently recommended that the municipality extend a performance management development system to all employee levels in the municipality. This can be by means of adopting and refining the Performance Management System already approved by the Department of Public Service for the public sector and currently being implemented by all government departments. In addition the municipality needs to invest in the development and empowerment of its managers and in return hold them accountable by adding a clause in their performance agreements regarding the management and empowerment of people. Lastly, the municipality needs to consider reviewing its salary structure or the possibilities of having incentives as rewards for best performance; and some incentives that will serve to attract employees and reduce their turnover.

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CHAPTER ONE

1. Introduction

1.1. Introduction and Research Background

Worldwide turnover of employees generally presents a challenge. For a country like South Africa that is still facing the challenge of infrastructural development and provision of basic services such as housing, water, sanitation and electricity, the turnover of municipal employees becomes a stumbling block to ensuring timeous delivery of services.

As Khatri et al. (1999) quote the studies conducted by Barnett (1995), Chang (1996), and Syrett (1994), which state that voluntary turnover is a major problem for companies in many Asian countries such as Hong Kong, South Korea, Malaysia, Singapore and Taiwan and also, according to the studies carried out by Adweek (1993) and MacLachlan (1996), turnover is very prevalent in China.

In South Africa, local government as a sphere of government is the centre of development. In accordance with section 152 of the Constitution of the Republic of South Africa Act 108 of 1996, local government has a mandate to deliver services to the citizens of South Africa. The Constitution prescribes three categories of municipalities; metropolitan, local and district municipalities.

For municipalities to be able to deliver on their mandate effectively and efficiently they need to employ skilled, experienced and committed human resources. Each year municipalities are required to prepare the integrated development plans prescribed by the Local Government Municipal Systems Act, (Act 32 of 2000) in which service delivery targets are set and aligned with the provincial and national targets.

The present study therefore explores the factors that contribute to employee turnover at the Sisonke District Municipality.

1.2. Background and Context

The KwaZulu-Natal Province has ten district municipalities namely, Umgungundlovu; Ugu, Ilembe; uThungulu; Zululand; uThukela; Amajuba; uMkhanyakude; uMzinyathi and Sisonke District Municipalities. The Sisonke District municipality was established subsequent to the local government elections of 2000. It is situated in the Southern KwaZulu-Natal Midlands and embraces five local municipalities, namely, UBuhlebezwe Municipality which covers the towns of Ixopo and Highflats; Ingwe Municipality which includes Creighton, Bulwer and Donnybrook; Greater Kokstad Municipality which covers the town of Kokstad, Franklin and Swartberg; KwaSani Municipality which includes the town of Underberg and Umzimkhulu Municipality which includes the town of Umzimkhulu. The head offices of the Sisonke District Municipality are situated in Ixopo. The core functions of the said Municipality are water, sanitation, district health and disaster management.

Since the establishment of this Municipality there has been a high turnover of skilled staff which has resulted in the municipality being unable to ensure appropriate staffing since certain critical positions remain vacant for long periods: for example, the position of the Chief Financial Officer has been vacant for more than six months, and that of the Director Water Services Authority, for more than 16 months.

The KwaZulu-Natal provincial integrated development plans (IDP) appraisal committee has raised its concern regarding the high turnover of skilled workers at Sisonke District Municipality and has since tasked the municipality to develop a retention plan (2005 to 2006 Sisonke District Municipality IDP comments). This task has now become urgent since in the State of the Nation address (February, 2006) the then President of South Africa Mr Thabo Mbeki expressed concern at the shortage of priority skills in the country, especially in municipalities.

With the growing importance of the municipalities in service delivery, the issue of retaining skilled employees has become critical. There are several challenges facing the country such as the infrastructural backlogs particularly in rural areas which lead to lack access to basic services; slums with lack of access services and communities impatient of lack delivery of basic services by the government. The skilled employees referred to in this study are skilled managers, engineers and technicians, accountants, planners, information technologists, artisans and geographical information system officers.

The current study will also investigate the factors that contribute to the turnover of staff in municipalities, with particular reference to rural municipalities, using the given Sisonke District Municipality as a case study. The study will focus on the employees that are still in the employ of the municipality

1.3. Problem Statement

The Constitution of the Republic of South Africa (Act No. 108 of 1996) prescribes that local government is responsible for the provision of municipal services at a local sphere. These services include water services, sanitation, municipal health, disaster management, bulk electricity, local economic development and tourism. According to the Strategic Framework for Water Services (2003) all South African citizens should enjoy access to basic water services by 2008 and sanitation services by 2010. Strategic managers, planners, engineers, project managers, artisans and professional personnel are needed in order for the municipalities to be able to meet these targets and for them to overcome service delivery backlogs according to set time frames. South Africa as a country has committed itself to meet the set Millennium Development Goals; hence the targets set for provision of water and sanitation services.

According to Robbins (2001), when turnover is excessive, or when it involves valuable performers, it can be disruptive, hindering the organization's effectiveness. In South Africa, municipalities are the process point of service delivery and therefore it becomes essential to have skilled, experienced and committed staff to ensure continuous effectiveness and efficiency of the services delivered to citizens. According to Anthony et al. (1999), high turnover can be a very expensive proposition for any organisation.

In an ideal scenario, employment institutions will have employees who begin to form part of the organisation and constitute a valuable resource. This would then lead to employees adding value to the organisation by performing their jobs efficiently and only leaving due to ill health and / or retirement. In these instances the organisations are better prepared to deal with the turnover as they are in a stronger position to devise succession plans.

The actual situation is very different from this; employees leave their organisations, and in a number of instances, certain people whom the organisation does not want to lose sometimes depart at a very critical time. Mathis and Jackson (2003) state that even though some turnover is inevitable, many employers currently recognise that reducing turnover is crucial. The cost of turnover, including diminished organisational productivity, has led employers to direct considerable effort towards employee retention (Mathis & Jackson, 2003).

According to Carrell et al. (1996) the cost of turnover to the South African industry is estimated to be several million of rands per year. These costs include:

- Increased recruitment, selection and placement costs;
- Increased training and development costs;
- Lower productivity and more accidents, scrappage and quality problems; and
- Disruption in programmes and projects as managers and administrators leave.

1.3.1 Sub problems

- Lack of capacity to deliver services as mandated by the constitution;
- Lack of accountability for functions performed by the municipality;
- Lack of information and knowledge management; and
- Citizens being dissatisfied with the government's service delivery.

1.3.2 Concluding Statement

In linking the above sub problems with Carrell's (1996) stated cost of turnover, the incapacity of the institution to deliver on the mandate has a high possibility of leading to increased recruitment, selection, placement, training and development cost. It is important for any organisation to have effective information and knowledge management systems as it assist for continuity and accountability particularly incases where staff have left the institutions. A conclusion can be drawn that as the municipalities are key service delivery institutions in South Africa, they should be decisive in ensuring staff retention which its benefits will enable municipalities to account for functions performed, improve institutional productivity and save on staff turnover related costs.

1.4. Purpose of the Study

The present study intends to establish the factors that contribute to the turnover of skilled employees at the Sisonke District Municipality. It will investigate the factors that contribute to this situation. Based on the outcomes of the survey, recommendations will be made to the municipality on areas that could be improved in order to increase employee retention.

1.5. Research Objectives

The objectives of this study are:

- To establish the reasons for the employee turnover at the Sisonke District Municipality; and
- To make recommendations for reducing employee turnover and increase employee retention at Sisonke District Municipality.
- To add knowledge to the academic understanding of employee turnover and retention

1.6. Research Design

Ghauri et.al (1995:14) reports that research design relates to the strategy the researcher chooses to collect the required information for the research. Babbie et. al (2006:264) states that survey research involves questionnaire construction, sample selection and data collection through interviews or self administered questionnaires.

Ghauri et.al (1995:26) states that “*research design should be effective in producing the wanted information within the constraints put on the researcher, such as time, budgetary and skill constraints*”.

They further state that there are three main classes of research design which are exploratory, descriptive and causal. Primary data as described by Babbie et.al (2006:76) is the new data collected directly by the researcher through interviews, observations and other methods whilst secondary data is the existing data at the time the researcher is commencing with research and this can be census data or existing documents and text that were produced previously. In this case, there is existing information on employee turnover and retention however there is no such information existing that is specifically on Sisonke District Municipality where the research focus is. In this study a review of existing literature will be undertaken, this includes books on similar and related topics, journals, newspaper articles, internet search, speeches, policies research documents and dissertations. In this study non-experimental survey will be conducted using self-administered questionnaires to collect primary data. Permission to conduct research will be

requested from the Municipal Manager of Sisonke District Municipality in writing and written approval will be secured, this will also be part of the appendix of the dissertation once completed. The municipal employees particularly the ones with post matric qualifications will be requested to participate in the survey and a representative sample will be ensured. The study will use closed self administered questionnaires that will be submitted to the University for Ethical Clearance prior to the questionnaire being administered. The Statistical Package for the Social Sciences will be used to enter, analyse and represent data by means of graphs and charts.

1.6.1 Research Questions

The research questions are as follows:

- Is there a relationship between municipality's working conditions; remuneration; employee relationship with the manager and employee turnover?
- Is there a relationship between rural nature of the municipality and employee turnover?
- How can the municipality reduce turnover and increase employee commitment?
- What should the municipality do to retain skilled staff?

1.7. Importance / Significance of the Study

As mentioned above, in South Africa, municipalities constitute the processing point of service delivery and therefore it is vital that they possess skilled, experienced and committed staff to ensure the continuous effectiveness and efficiency of services delivered to the citizens. It is necessary for this study to be conducted as it will promote understanding of the causes of the rapid turnover of highly skilled staff within the Sisonke District Municipality and may assist in the development of better theoretical models in order to explain the turnover of skilled employees in either cross border and / or rural municipalities. This study may influence public policies relating to the employment contracts and / or agreements of local government employees and the manner in which service delivery targets are set and implementation is monitored. Since municipalities are accorded capacity support by the government, this study might influence public policy in relation to high turnover and the capacity support provided to municipalities. This study may also alter the way people carry out their jobs, with a particular focus falling on the factors that contribute to the employee turnover. Furthermore, this study may contribute more knowledge to the academic understanding of employee turnover and retention in South African Municipalities. It will also assist the municipality to develop an appropriate retention plan and

strategically position itself to attract and retain skilled employees. This study has the potential to create awareness, on the part of the decision makers in South Africa concerned with the employment and retention of rural municipal workers, of the underlying factors which contribute to a skills shortage, particularly in rural municipalities.

1.8. Limitations of the Study

The present study will investigate the factors that contribute to the turnover of highly skilled personnel in the Sisonke District Municipality; therefore some of the results might be applicable only to the said municipality and not any other rural and / or cross border one. Turnover, for the purposes of the current study, refers to both voluntary and involuntary permanent withdrawal from an organisation. Only the factors influencing the turnover of skilled employees will be studied; the impact of this turnover on service delivery will be excluded. The study will be limited to the period January 2002 to November 2008, because the municipality was established only in December 2000 and the year 2001 will be excluded from the study since employees were appointed towards the end of the year 2001, after the consortium appointed to set up the municipality had completed its task.

1.9. Structure of the Study

The study will be structured as follows:

Chapter 1

This chapter will consist of the introduction to the study, objectives of the study, motivation to undertake the research and the research design.

Chapter 2

Chapter two will furnish a historical background to the Sisonke District Municipality, its location, the functions the municipality is performing and the beneficiaries of the services provided by the municipality.

Chapter 3

This chapter will summarise the literature review, looking at theories and models of turnover. Furthermore, studies conducted regarding employee turnover, retention and motivation will be also reviewed.

Chapter 4

Chapter four will cover research methodology with a discussion of research design; sampling procedures; data collection and analysis; and statistical tools. In the present study a survey will be employed, the target being the Sisonke District Municipality employees who possess post matric qualifications in various departments. A questionnaire will be utilised to gather data. The population comprises 260 employees of the Sisonke District Municipality from which a sample of 40 staff members was drawn. Self administered questionnaires were sent to all 40 staff members.

Chapter 5

In this chapter detailed findings will be presented.

Chapter 6

Conclusions and recommendations will be tabled in this chapter.

1.10. Glossary of Terms

- **Integrated Development Plan** – (prescribed by the Local Government Municipal Systems Act, Act no 32 of 2000) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.
- **Turnover** – voluntary and involuntary permanent withdrawal from an organisation.

1.11. Conclusion

The Sisonke District Municipality was established in December 2000; as a local government it must fulfill a constitutional mandate to deliver services to the communities within its jurisdiction. There are service delivery targets that have been set nationally for water and sanitation. However, there has been a high turnover of skilled staff within the municipality since 2002. When employees leave at critical times it becomes a challenge for the organisation to be efficient. The high turnover at Sisonke District Municipality has been noted by the KwaZulu-Natal provincial stakeholders who have since requested the municipality to devise a retention plan. The municipality needs to know the factors that contribute to the skilled employee turnover in order to be able to propose an appropriate retention plan. This study aims to contribute new ideas both to the municipality, the provincial government that has an oversight role in functioning of municipalities and also academic information.

CHAPTER TWO

2. Background and Functions of Sisonke District Municipality

2.1 Introduction

The Sisonke District Municipality was established immediately prior to the Local Government elections of 2000 through a demarcation process which heralded the final stage of the transformation of the system of Local Government. For the first two years of its existence the municipality functioned under the auspices of a caretaker administration, comprising in the main, a consortium of private sector service providers, who in close consultation with Council, and in particular the Executive Committee, developed and put in place the municipal administrative systems required by legislation. The municipal manager and the executive directors were appointed by the Executive Committee and took office from October 2001; immediately thereafter 32 staff members were recruited. Currently, the municipality consists of 262 employees.

According to the Sisonke District Municipality's Water and Sanitation Backlogs Study (2007) the Municipality has backlogs of 40.29% (water), 71.29% (sanitation) and 55% (electricity) (Electricity Backlogs Studies 2007), which reflects the nature of the infrastructural development still required in the district. According to the Sisonke District Municipality's Integrated Development Plan (2007-2008), unemployment is at 25% plus 9% of those classified as 'cannot find work' in the district, which implies the importance of economic development and the poverty levels that the district must eradicate.

2.1.1 Location

The Sisonke District Municipality (DC43) is located to the South West of the KwaZulu-Natal province. Its population is sparsely spread throughout an area of 11 128 square kilometres. This Municipality forms part of the border between KwaZulu-Natal and Eastern Cape Province, and comprises the following five local municipalities: UBuhlebezwe, Ingwe, KwaSani, Greater Kokstad and Umzimkhulu Local Municipalities and the District Management Area (DMA) which is located to the West of the District and forms part of the border between the KwaZulu-Natal Province and Lesotho.

2.2. Role of Local Government and Co-operative Governance in South Africa

The legal nature of a municipality is defined in Section 2 (a) of the Local Government: Municipal Systems Act (Act No.32 of 2000) as *‘an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government: Municipal Demarcation Act, 1998’*.

Section 2 (b) of the Local Government: Municipal Systems Act (Act No.32 of 2000) states that a municipality consists of

- (i) the political structures and administration of the municipality; and
- (ii) the community of the municipality.

Sections 2 (c) and (d) of the Local Government: Municipal Systems Act (Act No.32 of 2000) declares that a municipality functions in its area in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community.

The role of Local Government is prescribed by the South African Constitution Act (Act No. 108 of 1996); Local Government: Municipal Systems Act (Act No. 32 of 2000); Local Government: Municipal Structures Act (Act No. 117 of 1998) and Municipal Finance Management Act (Act No. 56 of 2003).

The objects of local government as prescribed in Section 152 (1) of the Constitution of the Republic of South Africa Act (Act No. 108 of 1996) are to:

- provide democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

Judging from the above objectives it is clear that, for any local government structure to perform and deliver effectively in terms of the duties expected, the employees of each municipality play a critical role. Familiarity with how local government works, institutional memory and ensuring

that services are delivered in a very efficient and effective manner are key determinants for municipalities to ensure that employee turnover is attended to and every effort is made to ensure employee retention.

As mentioned, Section 40 (1) of the Constitution of the Republic of South Africa (Act No.108 of 1996) states that government is constituted in national, provincial and local spheres which are distinctive, interdependent and interrelated, while section 41 prescribes the principles of co-operative government and intergovernmental relations which among others include: to co-operate with one another in mutual trust and good faith by:

- Fostering friendly relations;
- Assisting and supporting one another;
- Informing one another of, and consulting one another on, matters of common interest;
- Co-ordinating their actions and legislation with one another;
- Adhering to agreed procedures; and
- Avoiding legal proceedings against one another.

The Intergovernmental Relations Framework Act (No. 13 of 2005), regulates co-operative governance within all spheres of government.

2.3. Sisonke District Municipality's Conditions and Staff Complement

The Sisonke District Municipality's head offices are situated in Ixopo town with satellite offices in all the local municipal areas except for uBuhlebezwe where the head offices are based. Ixopo is a small town with the two municipalities, Sisonke and uBuhlebezwe being major sources of employment, followed by small district offices for certain provincial departments. This poses a challenge to possible employees who are married since opportunities for their spouses to gain employment in the area are limited. Another challenge is to provide suitable accommodation for possible employees, because Ixopo is a small town and the area does not as yet contain stock accommodation for rental, such as blocks of flats and / or town houses; therefore employees usually rent rooms from house owners in the area, while available full house accommodation is limited. This results in some employees having to commute from Pietermaritzburg to Ixopo, which constitutes an approximately 90km one way trip, on a daily basis.

The municipality offers a car allowance for field staff. The conditions attached to this are that the cars must have a convincing physical ground i.e. height of chassis from the ground clearance to

allow staff to access rural areas of the municipality; in particular, to accommodate the conditions of bad roads in those areas where the road infrastructure is still inadequate.

According to the organisational structure of the Sisonke District Municipality as at mid November 2008, there are 399 positions: of these 63 are frozen, 260 are filled and 76 are vacant. Some of these vacancies are totally new positions as per the functions of the municipality. According to the Executive Director of Corporate Services Mr Thobela Nota, in some of these vacant positions appointment offers have already been made for staff who will assume duties by 01 December 2008. Both frozen and vacant positions are spread out in different departments and levels within the municipality.

2.4. Functions of Sisonke District Municipality

Municipalities possess powers and functions assigned to them in terms of sections 156 and 229 of the Constitution of the Republic of South Africa (Act No. 108 of 1996). Section 83.2 of the Local Government: Municipal Structures Act (Act No. 117 of 1998) states that the municipal functions and powers referred to above must be divided in the case of the district municipality and the local municipalities within the area of the district municipality.

In the case of the district municipalities the Local Government: Municipal Structures Act (Act No. 117 of 1998) prescribes that a district municipality must seek to achieve the integrated, sustainable and equitable social and economic development and economic development of its area as a whole by

- Ensuring integrated development planning for the district as a whole;
- Promoting bulk infrastructural development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The functions of the district municipalities are further detailed in section 84 of the Local Government: Municipal Structures Act, (No. 117 of 1998) which are also applicable to the Sisonke District Municipality following are some of the key functions:

- Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality;
- Portable water supply systems;
- Bulk supply of electricity, which for the purposes of such supply, includes the transmission, distribution and where applicable, the generation of electricity (this excludes Sisonke District Municipality as it does not generate electricity);
- Domestic waste-water, Sewerage disposal systems, Solid waste disposal sites;
- Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole;
- Municipal health services

2.5 Customers of Sisonke District Municipality Services

The Sisonke District Municipality serves both internal and external customers. The internal customers are the Sisonke staff (administration) and the councillors (political). Most of the Sisonke staff and councillors are also residents of the municipality and therefore, besides being the internal customers, also fall into the category of external customers.

The residents of the Municipality do not have an option with regard to service providers of water and sanitation, municipal health and disaster management because the municipality is the only institution that provides these services. In these services mentioned above the district residents become the Sisonke District Municipality's customers and potential customers in the areas that are still not provided with services.

The population figures below are based on the Census 2001, the Census 2001 figures are the official figures that are currently used in South Africa, a 2.21% annual growth rate is effected to be able to keep up with possible population growth. These figures indicate a population sparsely spread throughout an area of 11 128 square meters. The projections are based on a 2.21% annual growth rate.

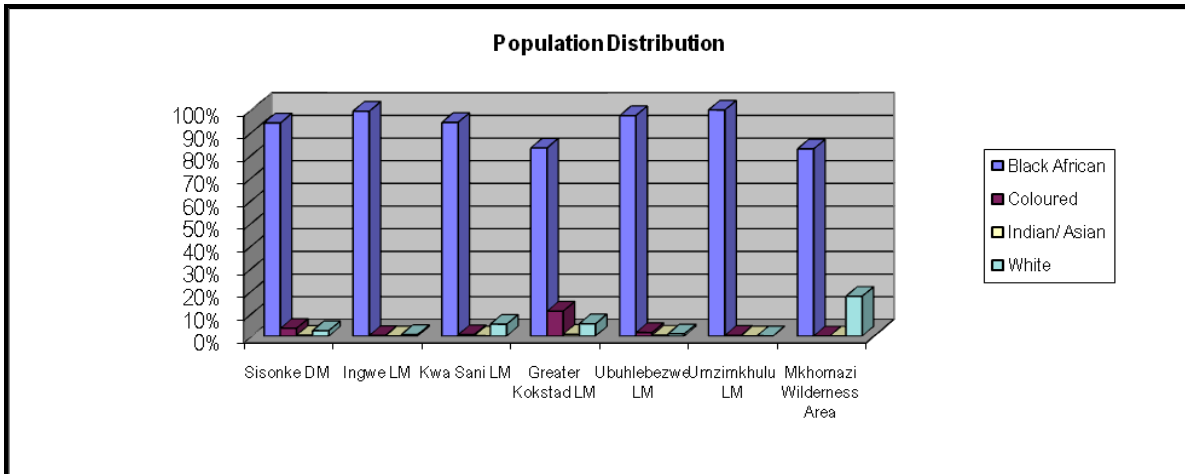
Figure No. 2.1: Population of Sisonke District Municipality

Municipality	<i>Census 2001 figures</i>	<i>Estimated total in 2002.</i>	<i>Estimated total in 2003</i>	<i>Estimated total in 2004</i>	<i>Estimated total in 2005</i>	<i>Estimat ed total in 2006</i>	<i>Estimated total in 2007</i>
Umzimkhulu	174 337	178 190	182 128	186 153	190 267	194 472	198 770
Ubuhlebezwe	101 959	104 212	106 515	108 869	111 275	113 734	116 248
Greater Kokstad	56 285	57 529	58 800	60 009	61 427	62 785	64 173
KwaSani	15 309	15 647	15 993	16 346	16 707	17 076	17 453
Ingwe	107 558	109 935	112 365	114 848	117 386	119 980	122 632
DMA/Umkhomazi Wilderness Area			900 (informal household count)	920	940	961	982
TOTAL	455 448	465 513	475 801	486 315	498 002	509 008	517 608

Source: Sisonke District Municipality IDP: 2007-2008

The majority of the municipality's population resides in the Local Municipalities of Umzimkhulu, Ingwe and uBuhlebezwe. These three municipalities are of rural nature and have very small to village type of towns. The majority of people stay in rural areas which have been previously underserved and still lack basic infrastructure and services. The implication is that the Sisonke Municipality's staff operational area is vast, rural in nature with poor road terrain. In the Greater Kokstad municipality which follows the three municipalities in population there are no rural villages, only urban, peri-urban, townships and farm lands.

Figure No 2.2: Sisonke District Population Distribution



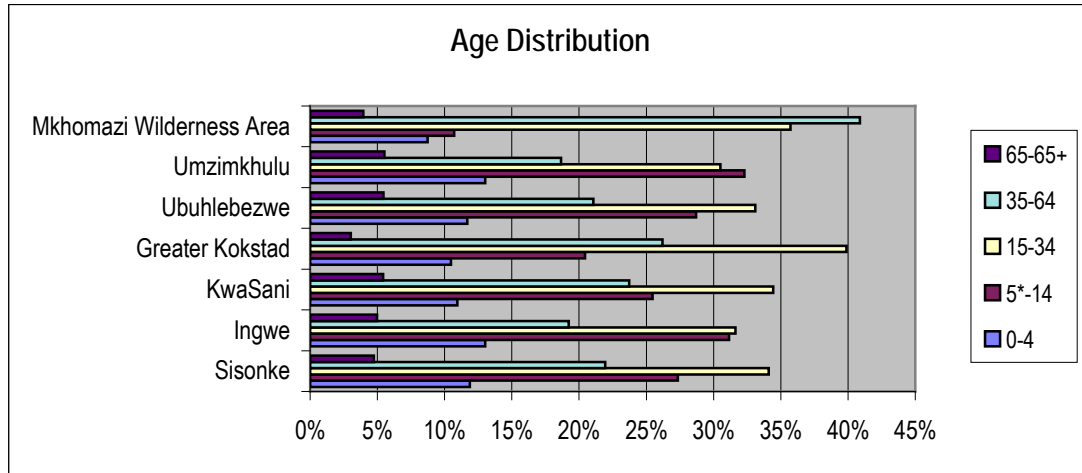
Source: Sisonke District Municipality IDP: 2007-2008

The figure above depicts the Sisonke District Municipality’s population distribution as approximately 90% of the population is Black African which in South Africa is classified as the previously disadvantaged. This means that the Municipality has a big job of ensuring provision of infrastructure, free basic services and investment in upliftment of both social and health life of its residents.

2.5.1. Age Composition

The age distribution in a particular society is also a determinant for the government institutions to supply appropriate social services and investment for the relevant age groupings.

Figure 2.3: Age distribution of the people in Sisonke District



Source: Sisonke District Municipality IDP: 2007-2008

At a district level the age group between 15 to 34 years, which is categorized as youth, is the most dominant in almost all the local municipalities. This group is the future generation of the country and provider for their families. Failure to provide appropriate services, lack of infrastructure development and job opportunities for this group may result in negative social challenges. The huge numbers of this age group call for the creation of employment opportunities and the provision of educational facilities. Failure to do so will result in a large influx of the youth of Sisonke to other major towns in search of better employment (in other words a brain-drain) and education opportunities. The senior citizens record the lowest number across all municipalities except in Umzimkhulu Municipality and this indicate importance of provision of infrastructure development as this group is vulnerable and unavailability of basic services have negative consequences to their health and social status. The middle age (35 to 64) is the third most dominant group of the Sisonke population (Sisonke DM IDP 2007-2008).

2.6. Role of municipalities in planning

The Sisonke District Municipality's Integrated Development Plan (2007-2008) states that planning in South Africa has been centralized around district municipalities through integrated development plans, which then inform the provincial growth and development plans which are aimed at addressing the broader government objectives as contained in the medium term strategic framework (MTSF). It further states that the planning objective seeks to identify the development challenges that government has to confront and is also meant to serve as a backdrop in order to guide planning and budgeting across the three spheres of government.

According to the Sisonke District Municipality's Integrated Development Plan (2007-2008) the Provincial Growth and Development Strategy is a framework aimed at facilitating co-ordinated planning in each province by clearly indicating investment opportunities, development priorities and addresses economical imbalances, promote sustainable development and ensure the achievement of the Millennium Development Goals. It offers a tool through which national government can direct and articulate its strategy and similarly an instrument for local government to reflect the necessary human, financial and fiscal support it needs to achieve the required outcomes.

The Local Government Municipal Systems Act (Act 32 of 2000); prescribes that municipalities must undertake developmentally-oriented planning so as to ensure that they

- Strive to achieve the objects of local government set out in section 152 of the Constitution;
- Give effect to their developmental duties as required by section 153 of the Constitution; and
- Together with other organs of the state, contribute to the progressive realization of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

The Act further states that the planning undertaken by a municipality must be aligned with, and complement, the developmental plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the constitution.

The integrated development plans (IDP) are similar in nature to business strategies in the private sector. These plans must contain the following core components as prescribed by the Local Government Municipal Systems Act (Act 32 of 2000)

- The municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- The council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of section 41 of the Local Government Municipal Systems Act (Act no 32 of 2000), under chapter six which prescribes the development of the municipality's performance management system.

2. 7. Conclusion

This chapter provides an understanding of the required infrastructure development, population to be served, characteristics of the areas to be serviced and the required local economic development, social development and investment required in the district. The chapter further describes the legislative mandate, the requirements to be fulfilled including the deliverables expected from the Sisonke District Municipality. It is therefore very important for the municipality to have well skilled employees and ensure the retention thereof to ensure provision of effective and efficient service to the customers.

CHAPTER THREE

3. Theoretical Background

3.1. Introduction

South Africa is being confronted by the challenge of service delivery and effective implementation of its policies (evident in the number of protest marches by the residents of South Africa complaining about lack of access to basic services across the country since 2006).

The continuing public protests, media coverage on lack of service delivery, policy statements such as the said State of the Nation address and documents such as the Provincial Growth and Development strategies of all South Africa's provinces demonstrate the increasingly significant responsibility that is placed on municipalities in the service delivery and development role. These developments make it important to examine the nature and capacity of municipalities if they are to fulfill these responsibilities.

As mentioned, this study is examining an aspect of the challenge with a particular focus on turnover and retention of skilled employees in municipalities. Municipalities in South Africa are generally confronted by higher labour demands owing to a greater workload, given the increased areas of operation for municipalities compared with their previous role, the high turnover rate and a shortage of skilled personnel. It is therefore essential to investigate the high turnover rate and analyze the factors that contribute to the skilled employee's decision to leave.

According to the Eastern Cape Provincial Administration: Attraction and Retention Strategy (2006:7); serious skills shortages experienced by service delivery departments have recently become a main point in discussions concerning staffing in the public service. This strategy document also refers to the point that the South African government had in 2002 adopted a scarce skills development strategy for the public service that called for a renewed focus on staff retention.

This strategy recognizes that certain personnel are urgently needed to mention few are the engineers, planners, economists, development planners, accountants, technicians, and information technology personnel.

This literature review considers studies conducted on this subject in order to identify trends and gaps as well as relevant theories and models for this study. This makes it possible to develop a relevant framework for conducting the study; provides ideas about the study and reveals research strategies. It guides the researcher in discussing the results of the current study by comparing and contrasting its results with those of previously reported studies.

The review revealed that considerable research has been undertaken on labour turnover, but that very few studies have been done in municipalities, particularly studies on skilled employee turnover in South African municipalities. This study, therefore, will make a contribution by shedding light on some aspects of this subject.

Employee turnover is generally a worldwide concern particularly in this era of high labour mobility. Much research on turnover in general has been conducted both nationally and internationally. Although this is the case, there has not been a focus specifically on turnover of skilled employees in the rural municipalities of South Africa.

It may be said that South Africa is a country which is focusing on infrastructural provision as its number one priority. It is therefore essential for municipalities to employ and retain qualified and experienced personnel. This will help to ensure appropriate planning, timeous eradication of service backlogs and also implementation and provision of services in a more effective and efficient manner. According to Mathis and Jackson (2003:79) organizational and individual performance is enhanced by the continuity provided by employees who know their jobs, co-workers, organisational services and products, and the firm's customers.

3.2. Glossary of Terms

3.2.1 Employee Turnover

Both Robbins (2001) and Mathis & Jackson (2003:78) offer a similar definition of turnover. Robbins (2001:21) defines turnover as voluntary or involuntary permanent withdrawal from an organisation. Furthermore, Mathis & Jackson (2003:78) define turnover as the process in which employees leave the organisation and have to be replaced. According to Frank et al. (2004:12)

turnover is most often used to describe the unplanned loss of workers who voluntarily leave and whom employers would prefer to keep.

Mathis & Jackson (2003:78-79) classify turnover as follows:

- **Involuntary turnover** resulting from terminations for poor performance or work rule violations and **voluntary turnover** wherein the employees leave by choice;
- **Functional turnover** where lower-performing or disruptive employees leave and **dysfunctional turnover** where key individuals and high performers leave at critical times;
- **Uncontrollable turnover** which occurs for reasons outside the control of the employer and **controllable turnover** which occurs due to factors that could be influenced by the employer.

Mobley (1982:10) more generally defines employee turnover as the cessation of membership in an organisation by an individual who received monetary compensation from the organisation.

3.2.2 Concluding Statement

A conclusion from the definitions provided above can be drawn that employee turnover involves the staff leaving the employ of the organisation. This study focuses on voluntary turnover particularly the dysfunctional turnover. In advancing recommendations to the municipality the focus will be on controllable turnover.

3.2.3 Employee Retention

Frank et al. (2004:12) define employee retention as the effort by an employer to keep well performing workers in order to meet business objectives, while, according to Mathis et al. (2003:79), retention of employees has become a primary concern in many organizations for several reasons. They further state that organizational and individual performance is enhanced by the continuity offered by such employees.

3.2.4 Critical and Scarce Skills

According to the National Advisory Council on Innovation and the Department of Science and Technology discussion document (2003:31) skills are the necessary competencies that can be expertly applied in a particular context for a particular purpose, and a skills shortage (or ‘scarce skills’) occurs only when demand for any particular skill outstrips supply. Scarce skills could

therefore present as much of an issue for both the professional and the labourer community, and shortage of skills could negatively impact on the South African economy. The document further states that the paradox in South Africa is that the labour market is more geared to supplying unskilled and semi-skilled people than skilled people. According to this document the available evidence indicates that there is indeed a significant demand for people with skills, which is not matched by their availability, and factors such as economic growth, sectoral levels of labour intensity, projections of net migration, sectoral age profiles, the business cycle, government expenditure decisions, projections of HIV/AIDS morbidity rates, industrial policy and foreign direct investment, all affect this supply and demand dynamic (National Advisory Council on Innovation and Department of Science and Technology 2003:31).

The National Agricultural Marketing Council Human Resources Plan Report (2007:5.2 no page) describes scarce skills as those which are critical to the functioning of the organisation, based on its core business. The challenge is that should these skills be lost from a particular programme, the functioning of the organisation may be adversely affected. The report also describes scarce skills as those skills that have been identified by the organisation, based on the market demand. It states that the current situation may change over time and it must therefore be periodically assessed to evaluate its validity.

Gomez-Mejia et al. (2001:218) similarly define high-potential employees (sometimes called key employees) as people who possess rare and special talents and who provide valuable contributions that can directly affect the firm's performance.

According to the National Advisory Council on Innovation (NACI) and the Department of Science and Technology (DS&T) (2003:33), in the discussion document on the potential impact of the skills shortage on the innovative capacity of major capital engineering projects, the following is a high level assessment of skills category and associated skills that could signal scarce skills in demand:

- Management Category which includes Financial Management; Business Leadership; Human Resources Management; Facility Management and Training Management
- Professional Category including Software and Industrial Engineers and,
- Technical and IT Category which includes Water Engineering Technician; Road Engineering Technician; Electrical Engineering Technician; Mechanical Engineering Technician; Draughtsmen; Computer Aided Design and Computer Systems Analysis

All the skills category and associated skills above as stated in the NACI (2003:33) are the skills classified as in demand, these are the same skills that the Municipality requires to deliver services implying that it is important for the municipality to reduce employee turnover and increase retention in these areas.

3.2.5. Job Satisfaction

According to Mullins (2005:700) Job satisfaction is more of an attitude, an internal state. It could for example be associated with a personal feeling of achievement, either quantitative or qualitative. Turnover is related to job satisfaction and organisational commitment (Mathis & Jackson 2003:78).

3.3. Turnover Theories and Models

This study draws on diverse approaches to the history of employee turnover, which has shown that all organizations report some turnover. Mathis and Jackson (2003:79) state that not all turnover is negative for organizations because some workforce losses are desirable, especially if those workers who leave are lower-performing, less reliable individuals, or those disruptive to co-workers. They add that dysfunctional turnover occurs when key individuals leave, often in crucial times. According to Mathis and Jackson (2003:79) controllable turnover must be addressed and organizations are better able to retain employees if they deal with the concerns of the latter that are leading to turnover. They further report that even though some turnover is inevitable, many employers today recognize that reducing turnover is crucial. Analysis of factors influencing voluntary turnover will be a key focus for this study.

The Local Government Budgets and Expenditure Review (2001/02-2007/08:51;58) reports that personnel management is the key to improving service delivery in all spheres of government – not at least in local government, where personnel policy reforms are an important element of the transformation process. The document further states that inadequate senior management capacity and a lack of appropriate skills is a problem that manifests itself in poor service delivery and high turnover of personnel as municipalities compete for scarce skills.

Robbins (2001:21) points out that a high rate of turnover can disrupt the efficient running of an organisation when knowledgeable and experienced personnel leave. Further to this even if replacements are found it takes time to have them prepared to assume positions of responsibility and there is a gap and interruption in delivering quality services during the preparation period this

also have time and financial implications as training needs both financial and time as a resource. He further states that if the marginal and sub-marginal employees leave, that type of turnover may be positive as it may create the opportunity to replace underperformers with people who possess higher skills or motivation, open up increased opportunities for promotions and add fresh ideas to the organisation. However, turnover often involves the loss of people the organisation does not want to lose. He therefore states that when turnover is excessive, or when it involves valuable performers, it can be a disruptive factor, hindering the organization's effectiveness.

According to Gomez-Mejia et al. (2001:203) voluntary separations occur when an employee decides, for personal or professional reasons, to end the relationship with the employer. The decision could be based on the employee obtaining a better job, changing careers or wanting more time for family or leisure activities; alternatively, the decision could be based on the employee's finding the present job unattractive because of poor working conditions, low pay and benefits, a bad relationship with a supervisor and so forth.

They further state that recent studies show that approximately 80% of voluntary separations are avoidable, and many of those are due to staffing mistakes. They also state that by investing in quality Human Resources Management recruiting, selection, training and development programmes companies can avoid many mistakes involving poor matches between the employee and the job.

According to Abbasi & Hollman (2000:333) excessive turnover often engenders far reaching consequences and, at the extreme, may lead to a jeopardising of the organization's objectives. They add that due to turnover there may be a brain drain that negatively affects innovation and causes major delays in the delivery of services and the introduction of new programmes. The smartest and most talented employees are often the most mobile and the ones who are disproportionately more likely to leave. In addition, for some departments and agencies of government entities, the loss of key employees may negatively impact on the quality and innovation of services delivered. As a result, this may adversely affect the satisfaction of citizens/customers.

Abbasi & Hollman (2000:333) state that some of the forces that underlie excessive employee separation and rehires are hiring practices; managerial style; lack of recognition; lack of competitive compensation system and a toxic workplace environment.

Kochanski & Ledford (2001:31) suggest that the key to understanding the causes of turnover is the 'employee value proposition (EVP). The company's EVP is the total set of rewards that the company offers in exchange for continued employment and dedicated effort, which include monetary rewards such as salary incentives but also many other types. They state that the five types of rewards are as follows:

- (i) Direct financial rewards which include monetary rewards;
- (ii) Indirect financial rewards i.e. benefits and perquisites;
- (iii) Career rewards i.e. long term opportunities for development and advancement;
- (iv) Work content i.e. the satisfaction that comes from the work that employees do;
- (v) Affiliation i.e. the feeling of belonging to an admirable organisation that shares the employee's values.

In this respect Kochanski & Ledford (2001:31) suggest that management must look at the whole picture, examining the wide range of factors that make up the EVP.

Brannick (2001:28) states that in driving employee retention efforts it is important to create an employee value proposition that delivers what it promises. She further states that classifying good employee retention rates by departments, by job and by other organisational categories gives much insight into things going on within the organisation. She also suggests that another proven method for retaining top talent is to recognize and reward managers for behaviours related to employee retention, as well as avoiding the 'one size fits all' approach to employee retention.

Loquercio (2006:6) lists the reasons behind voluntary resignations as follows:

- Incompatibility with corporate values;
- Feelings of not being appreciated or valued;
- Not feeling part of the company;
- Not knowing how one is doing for lack of feedback;
- Inadequate supervision;

- Lack of opportunity for growth;
- Lack of training;
- Unequal salaries and benefits;
- Lack of flexible work schedules;
- Unsatisfactory relationships at work;
- Work overload
- Inadequate or substandard equipment, tools, or facilities.

Fheili (2007:69) reported that a significant majority of the sample in a non-scientific survey of individuals who had changed employers during the first two or five years attributed their dissatisfaction and the cause of departure to more than just one reason as follows:

- lack of interesting and challenging work environment (feel devalued or unrecognised);
- absence of open, two-way communication;
- scarcity of opportunities for professional growth and development, and
- Perception of inequitable and non-competitive compensation and benefits schemes.

He further remarks that there are several sequential and predictable turning points that can unfold in the employee's journey from enthusiasm, to his/her intention to disengage, and to the actual turnover as follows:

- | | |
|----------|--|
| Phase 1: | Start the new job with enthusiasm; |
| | Question the decision to accept the job; |
| | Think seriously about quitting; |
| Phase 2 | Try to change things; |
| | Resolve to quit; |

Consider the cost of quitting from his / her own perspective;

Phase 3 Passively seek another job;

Prepare to actively seek another job;

Actively seek another job;

Phase 4 Get another job offer;

Quit to accept new job (or, in extreme circumstances quit without a job) or stay and disengage.

According to Mathis & Jackson (2003) turnover is costly. Robbins (2001:21) likewise states that a high turnover rate results in increased recruiting, selection and training costs.

Mathis & Jackson (2003:79) argue that it is controllable turnover which must be addressed.

Mobley (1982:16-22) reported that there are both negative consequences and potential positive organizational consequences for turnover. These are detailed as follows:

(a) Negative consequences of turnover (Mobley 1982:16 – 22)

- **Costs:** valid assessment of turnover costs must incorporate some concepts of investment and unrealized return on that investment for the leaver's investments and expected return from his / her replacement. Mobley (1982:16) asserts that it is clear from studies of the costs of turnover that turnover is expensive. Replacement costs may be similar whether the leaver is good or a poor performer, while the true cost and consequences for the organisation differ as a function of the quality of the leaver and the replacement. Recruitment costs include advertising, travel, agency fees, campus recruiting and administrative costs. Selection costs include interviewing, reference checks, testing, assessment centres and related administrative costs. Hiring and placement costs include physical, moving and travel and related administrative ones. Learning costs include orientation, formal and on the job training, trainers' time and lost productivity during the training of the newcomer.

Separation costs include the cost of out-processing, separation pay if applicable, and the costs associated with a vacant position and any decrease in performance prior to separation. The

consequent costs are also discussed by Gomez-Mejia et al. (2001:200-201) and Mathis and Jackson (2003:79).

- **Disruption of performance:** Mobley (1982:20) identifies two indirect performance costs associated with separation costs, i.e. loss of efficiency on the part of the leaver prior to separation and the cost of having a position vacant during the search for a replacement. He states that if the employee who has vacated the post is either a high performer or have unique expertise or occupies a critical post in the organisation this will not only affect the institution by having a vacant post but also may have a ripple effect on performance until the replacement becomes fully functional. This supports the statement on separation costs as above and shows that there is negative effects on both financial and performance of the organisation.
- **Disruption of social and communication patterns:** Mobley (1982: 20-21) states that in any organisation is characterised by formal and informal social and communication patterns. If leavers are valued co-workers and are central in communication networks there will be negative turnover impact on employees that remain which go beyond additional work load and possible decline in performance.
- **Decline in morale:** According to Mobley (1982:21) turnover may by itself lead to additional turnover by causing negatively affecting attitudes of employees remaining and might pass a message of the fact that alternative jobs may be available; thus employees who previously were not seeking alternative jobs may start search for them.
- **Undifferentiated control strategies:** Mobley (1982:21) state that *“since turnover is a visible behaviour and since sufficient information on causes and consequences is frequently unavailable, management may respond with inappropriate, ineffective and or counter-productive responses. Across-the-board pay increases, ‘crash’ human relations training for supervisors, organisation-wide turnover goals of x percent, etcetera are the types of undifferentiated strategies which may be inappropriate”*.
- **Strategic opportunity costs:** As Mobley (1982:22) advises that turnover can have a serious negative impact to the organisation, leading the organization to postpone or cancel potentially profitable opportunities because of projected human resource constraint.

The Information Paper No. 7 on Monitoring Turnover (State of Queensland, 2006:3) also supports some of the consequences as mentioned by Mobley above, adding that there are both direct and indirect costs associated with turnover, and listing direct costs as dollars spent attracting, selecting and inducting a replacement; indirect costs are defined as productivity losses such as incomplete or disrupted work, loss of quality, delayed or withheld service delivery, loss of knowledge and skills to achieve pre-existing rates of productivity on the job,

interruptions to the transmission of corporate values and norms, disruption to customer service or stakeholder relationships.

(b) Potential positive organizational consequences (Mobley 1982: 22-27)

- **Displacement of poor performance:** It is a good opportunity for every organisation to loose poor performers as this provides an opportunity to replace poor performers with better performers. Mobley (1982:22)
- **Innovation, flexibility, adaptability:** *“Turnover creates opportunities for replacements who may bring with them new knowledge, ideas, approaches, technology and styles. Turnover may present opportunities for cost reduction by eliminating or merging vacant positions, redefining jobs and / or introducing new automation. From the organisation’s perspective, increased internal mobility creates flexibility in terms of career development and cross training may serve to increase morale among remainers”* Mobley(1982:24).
- **Decrease in other withdrawal behaviours:** Mobley (1982:25) states that it has been suggested that in cases when individuals are unable to quit their jobs, but are unable to do so due to a number of constraints that they might experience for example lack of alternatives or family constraints they may engage in other forms of withdrawal such as absenteeism, apathy, sabotage and poor quality work. This can be to the extent that it may be beneficial to the organisation if such individuals leave as if they remain the organisation will end up incurring the costs of such alternative forms of withdrawal.
- **Reduction in conflict:** Mobley (1982:26) reports that much of the literature on conflict assumes that conflict can and should be arbitrated, resolved, or worked through in order for the organisation to function effectively. He further reports that this is different in cases where conflict is a result of fundamental differences on values or beliefs as these types of conflicts are not easily resolved, thus turnover may be the ultimate solution to the conflict (Mobley 1982:27).

3.3.1. Theories of Motivation

This study will also consider certain theories of motivation since most studies reviewed on employee turnover have applied these theories to some degree. The theories that this study will focus on are: Maslow’s hierarchy of needs; Alderfer’s ERG Theory and Herzberg’s two-factor theory.

According to Mullins (2005:475) organisational success is dependent upon members being motivated to use their full talents & abilities, and directed to perform well in the right areas.

Mullins further reports that with a positive motivation, philosophy and practice in place, productivity, quality and service should improve because motivation helps people towards: achieving goals, gaining a positive perspective, creating the power to change, building self esteem and capability, and managing their development and helping others.

Mullins (2005:475) states that if a person's motivational driving force is blocked and they are unable to satisfy their needs and their expectations, the likely effect on their work performance may be either constructive behaviour or frustration. Constructive behaviour is a positive reaction to the blocking of a desired goal and can take two main forms, i.e. problem solving or restructuring (Mullins 2005:475). Frustration is a negative response to the blockage of a desired goal and results in a defensive form of behaviour (Mullins 2005:476). According to Mullins the possible reactions to frustration could be aggression; regression; fixation; or withdrawal (which is apathy, giving up or resignation). Robbins (2001:79) states that employee dissatisfaction can be expressed in a number of ways and that instead of quitting employees may complain or be insubordinate, steal organizational property, or shirk part of their work responsibilities.

Lephalala (2006:1) reflects that turnover provides the organisation with new ideas and is a normal process; however, it does not have to be excessive. According to the Information Paper No 7 on Monitoring Turnover (State of Queensland, 2006:1) some degree of turnover has been shown to have positive consequences for organisations and individuals such as better person-job matches, staffing flexibility and the introduction of new ideas and new skills.

Furthermore according to the Information Paper No7 on Monitoring Turnover (State of Queensland 2006:1) turnover may also reduce complacency, facilitate change and innovation and involve the cost effective displacement of poor performers but, conversely, a too high rate of turnover may affect productivity, service delivery and the dissemination of important organisational knowledge.

Lephalala (2006:1) reports that lack of job satisfaction for employees not only leads to high turnover rates but also has detrimental effects on the individual, such as burnout. Mullins (2005:476) regards the strength of motivation as one of the factors influencing frustration. Where there is little pleasure in the work itself or the job offers little opportunity for career advancement, personal challenge or growth, many people may appear to be motivated primarily, if not exclusively, by money (Mullins 2005:477).

Below are the three theories of motivation that will also be considered in this study:

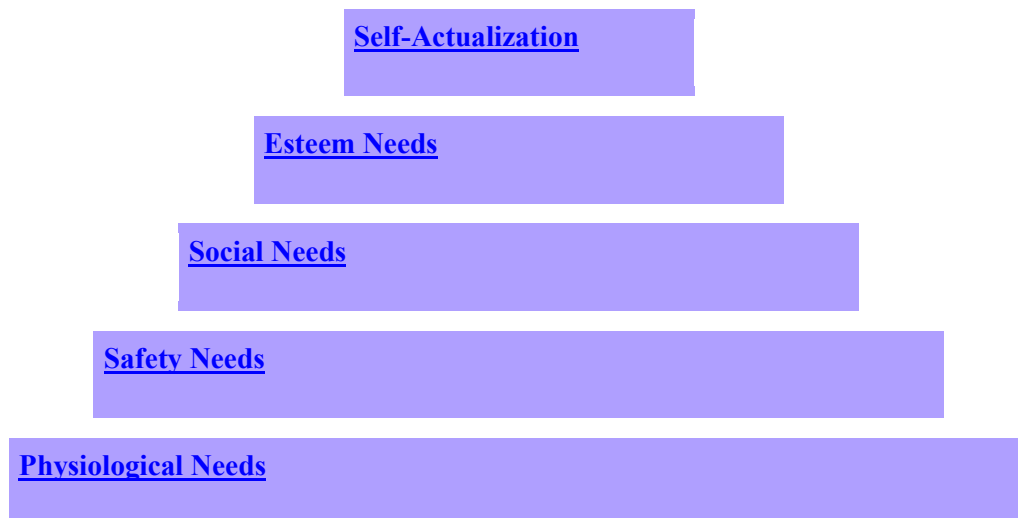
(a) Maslow's hierarchy of needs (1970)

Mullins (2005:480) states that Maslow's basic proposition is that people are 'wanting beings': they always want more, and what they want depends on what they already have. Robbins (1993:207) states that from the point of motivation the Hierarchy of needs theory no need is ever fully gratified when a need is somehow satisfied there is no longer motivation for that need and the next level will possible be best to be motivated for. He further states that for appropriate motivation it becomes important to understand the current hierarchy level the individual is on so that focus can be on satisfying those needs at current or above level.

Robbins (1993:207) reports that the five needs have been separated into two i.e. Lower Order Needs which are internally satisfied like physiological and safety needs and Higher-order Needs which are satisfied externally for example social, esteem and self-actualisation needs. The higher order needs can be satisfied by external matters like pay and benefits, union contracts and tenure.

The hierarchy of needs may be shown as a series of steps but is usually displayed in the form of a pyramid as follows:

Figure 3. 1 Maslow's hierarchy of needs model



Source: www.envisionsoftware.com/Management/Maslows_Needs_Hierachy.

Once the lower need has been satisfied it no longer acts as a strong motivator. The needs of the next higher level in the hierarchy consequently demand satisfaction and become the motivating influence. Although Maslow suggests that most people have these basic needs in about the order indicated above, he also makes it clear that the hierarchy is not necessarily a fixed order; for some people there will be a reversal of the hierarchy (Mullins 2005:481). In his work Mullins (2005: 483) also described the employee/employer social contract which enables organisations to improve employee commitment and retention. Mullins (2005: 483) reports on the dynamics between an individual and the organisation.

The five levels of the workforce needs hierarchy are shown in the information below (Mullins 2005:483):

- Safety/security – the need to feel physically and psychologically safe in the work environment for commitment to be possible;
- Rewards – the need for extrinsic rewards in compensation and benefits;
- Affiliation – the intrinsic need for a sense of belonging to the work team or organisation;
- Growth – addressing the need for positive individual and organisation change to drive commitment; and
- Work/life harmony – the drive to achieve a sense of fulfillment in balancing work and life responsibility.

It becomes very important for both the organisation and the supervisors to understand each employee hierarchy level as this will assist to improve employee retention. The levels above show clearly different needs for employees and it becomes important for the organisation to understand and apply these as per the individual needs and possible motivators.

Mullins (205:483) also shares the application of Maslow’s need hierarchy as follows:

Table 3.2. Application of Maslow’s need hierarchy.

Needs Levels	General rewards	Organisational Factors
1. Physiological	Food, water, sex, sleep	(a) Pay (b) Pleasant working conditions (c) Cafeteria
2. Safety	Safety, security, stability, protection	(a) Safe working conditions (b) Company benefits (c) Job security
3. Social	Love, affection, belongingness	(a) Cohesive work group (b) Friendly supervision (c) Professional associations
4. Esteem	Self esteem, self respect, prestige, status	(a) Social recognition (b) Job title (c) High status job (d) Feedback from job itself
5. Self-Actualisation	Growth, advancement; creativity	(a) Challenging job (b) Opportunities for creativity (c) Achievement in work (d) Advancement in organisation

Source: Mullins (2005:483)

(b) Alderfer’s ERG Theory (1972)

Misselhorn (2005:74) reports that Alderfer proposed a slightly different version of needs, moving up the scale from the very concrete needs of existence, to the need for relationships then to the need for growth. Alderfer’s work suggests that lower level need emerges as a motivating influence (Mullins 2005:484).

(c) Herzberg's two-factor theory

According to Mullins (2005:485) Herzberg's original study consisted of interviews with 203 accountants and engineers, chosen because of their growing importance in the business world. Subjects were asked to describe times when they felt exceptionally good or exceptionally bad about their present job or any previous job. Responses to the interviews were generally consistent and revealed that there were two different sets of factors affecting motivation and work which led to the two-factor theory motivation and job satisfaction. One set of factors are those which, if absent, cause dissatisfaction. The factors are related to job context: they are concerned with job environment and are extrinsic to the job itself. They are 'hygiene' or 'maintenance' factors. They serve to prevent dissatisfaction. The other set of factors are those which, if present, serve to motivate the individual to superior effort and performance. These factors are related to the job content of the work itself. They are 'motivators' or 'growth' factors.

Mullins (2005:485) further states that hygiene factors can be related roughly to Maslow's lower-level needs and the motivators to Maslow's higher-level needs. Proper attention to the hygiene factors will tend to prevent dissatisfaction, but does not by itself create a positive attitude or motivation to work. The opposite of dissatisfaction is not satisfaction but, simply, no dissatisfaction. Hygiene factors are necessary to avoid unpleasantness at work and to deny unfair treatment, and management should never deny people proper treatment at work. The motivators relate to what people are allowed to do and the quality of human experience at work (Mullins 2005:485).

Luddy (2005:2) reflected that the job satisfaction of public sector employees was significantly influenced by perceptions of employee satisfaction in terms of pay, promotional opportunities, relationship with supervisors, employee's performance management systems and fringe benefits.

Luddy (2005:2) further reports that low pay, limited flexibility and limited opportunities for promotion are characteristics of the public sector which prevent the most qualified workers remaining in government agencies and climbing the corporate ladder. In her study Lephala (2006:2) states that if the organisation experiences high rates of involuntary turnover, then careful examination of recruitment, selection, training and motivation strategies are important; however, if turnover is voluntary, then the organisation needs to look at factors

that influence staff to leave, namely intrinsic and extrinsic factors according to Herzberg's theory.

The motivation-hygiene theory has extended Maslow's hierarchy of need theory and is more directly applicable to the work situation. Herzberg's theory suggests that if management is to provide positive information then attention must be given not only to hygiene factors, but also to the motivating factors (Mullins 2005:485).

Table 3.3 Linking Maslow's, Alderfer's and Herzberg's theories of motivation.

Maslow's hierarchy of needs	Alderfer's ERG Theory	Herzberg's two factor theory
Physiological needs	Existence	Hygiene Factors
Safety		
Love	Relatedness	
Esteem		
Self Actualisation	Growth	Motivators

Source: Mullins (2005:484)

3.3.2 Relevance of Theories of Motivation

Since the theories discussed above were developed many, many years ago, questions can be raised regarding their relevance to today's situation and environment. According to Mullins (2005:499) there still appears to be general support for these theories, particularly those of Maslow and Herzberg; however, some doubts are raised about the universality of Herzberg's theory on the ground that it has not adequately addressed the factor of culture.

3.4 Retention

Döckel (2003:14) emphasize the idea that employers should retain and develop their human resources in order to obtain competitive advantage; this is one of the core beliefs of human resources literature. Employee retention, productivity, quality and corporate financial success are characterised as high performance, high commitment strategies (Döckel 2003:14).Döckel

(2003:15) further concluded that by using commitment strategies organisations achieved significantly higher performance and lower turnover, compared to those using control strategies.

Loquercio (2006:23) reports that investing in retention is more cost effective than continuously recruiting new staff and outlines some reasons behind turnover as follows:

- Planning weaknesses;
- Poor information systems;
- Lack of management support at field level;
- Conflictual atmosphere;
- Poor involvement of staff in decision making;
- Lack of transparency in management;
- Stress and burnout; and
- Poor management, presented as the crucial factor in people's decision to stay.

Information paper No 7 on Monitoring Turnover (State of Queensland, 2006:4) states that *“Good practice suggests the best strategy is to regularly monitor and analyze turnover rates and trends and to always be engaged in proactive strategies to attract and retain necessary skilled employees. Some employers use a ‘rolling monthly or quarterly averages’ and analysis of the types of employees who leave by position, employment type, age, gender, length of service etc to enable them to discover adverse trends as early as possible and to identify strategies to improve person-job matches; to build business cases for changes and improvements to recruitment and selection, career progression, job design and work-life balance policies and practices”*.

Loquercio (2006:24) advises that special attention be paid to the following as ideas for an effective retention strategy:

- The importance of the induction period;
- Developing a sense of belonging to the organisation;
- Avoiding information overloading;
- Creating a career development plan;
- Using mentors;
- Favouring flexibility; and
- Also, underlines the importance of having a coherent training policy, and the need to invest in training.

In reducing turnover and ensuring retention the Capio Acute Care hospitals, Lephhalala (2006:6), undertook the following measures over a period of five years which saw improvement of retention and lowering turnover:

- Improved communication;
- More opportunities for career development and training;
- Better procedures for recruitment;
- Improved employment terms and conditions locally and nationally;
- Paying attention to issues raised during staff surveys; and
- Improved management training.

Fheili (2007:69) suggests that the employee-retention strategy is two-fold. First, management must begin by trying to find out what employees want; and, second, it needs to identify those skills and individuals within the firm that drive business performance and add value; these two steps are highly interdependent.

He further states that it is critical to understand what employees really want. This is where line managers play a critical role because they directly interface with the employees. The 'wish list' of a typical employee is large, but HR management ought to pay attention to the issues that matter the most – to the people who matter the most. He then suggests the following as part of the retention strategy:

- Creation of an environment that provides the highest probability for success, for example, by encouraging knowledge accumulation, teaching skills and talent development.
- Enabling environment for employees to contribute towards organisation's success by opening opportunities for them to make suggestions and or inputs on things that the organisation has to improve on and harness the organisational strengths. This can also be by consultation/engagement on issues that involve their development.
- Management getting to know not only their employees work behaviour but also their social life and ambitions. This will create an environment conducive for both the employee and the manager and will also assist in talent development and career pathing of the employees.

- Employee recognition and rewards programmes as this confirms that they are valuable to the firm.

Döckel (2003:15) reports that it has been found that the retention of technical staff has been perceived to be of strategic importance to high technology employees because of the potential return for them in the long term. Managing turnover is an increasing challenge, especially for companies employing high technology professionals (Döckel 2003:15). Some of the CEOs of the world's fastest growing technological companies reported that the most significant challenge facing them was retaining employees (Döckel 2003:15).

Döckel (2003:15) regard retention as one of the top five business issues, with reasons for this development including the following:

- The growing gap between supply and demand for skilled labour
- Small companies offer a wealth of opportunities, that very few large companies cannot match, yet these work opportunities in small and medium-sized enterprises provide a high level of autonomy and opportunities for high impact jobs ;
- Job mobility is increasing ;
- A shift from the traditional organisation career to a more of individual managing their own careers, and not the organization.

As regards the present topic the Local Government Budget and Expenditure review (2001/2-2007/8:52) states that municipalities need to continuously review their recruitment and selection strategies, and provide growth opportunities for their personnel and interns.

3.5. Conclusion

It is clear from the literature review that recruitment and retention of employees is a complex matter that requires careful planning, taking various aspects into consideration. Turnover is an unavoidable, continuing and costly problem that is impossible to avoid, especially uncontrollable turnover; hence it is important for organisations to focus on controllable turnover. It is believed that if municipalities can find means to identify and promote both extrinsic and intrinsic factors, in some way municipalities might be able to retain employees.

CHAPTER FOUR

4. Research Methodology

4.1 Introduction

This chapter concerns the methodology used in undertaking the research on factors influencing employee turnover and retention at Sisonke District Municipality. The methodology includes the process followed, the sampling procedure, data collection methods, ethical issues and the analysis of data.

4.2 Research Design

According to Blumberg et al. (2005:127) the research design is the plan and structure of investigation, so conceived as to obtain answers to research questions. The plan is the overall scheme or programme of the research, Blumberg et al. (2005). The research design constitutes the blueprint for the collection, measurement and analysis of data. Coldwell and Herbst (2004:35-36) similarly point out that a design is used to structure the research, to show how all of the major parts of the research project, the samples or groups, measures, treatments or programmes and methods work together to try to address the central research questions. A research design is the strategy for the study and the plan by which the strategy is to be carried out (Coldwell and Herbst 2004:36).

This study has taken the form of a qualitative research approach, focussing on a non-experimental design and has used the survey research method particularly that of self-administered questionnaires. According to Coldwell and Herbst (2004:37) a causal study attempts to reveal the relationship between variables: it aims at demonstrating that a change in one variable causes some predictable change in another.

4.2.1. Non Experimental Design

Since this study has taken a survey research method it is important to define the survey research design and its weaknesses.

- The survey research design

According to Coldwell and Herbst (2004:47) the term 'survey' refers to one, or some combination of two, procedure(s): questionnaires and interviews.

The weaknesses of surveys as reported by Coldwell and Herbst (2004:47) include the following:

- *Reactivity*: where respondents tend to give socially desirable responses that make them look good or seem to be what the researcher is looking for;
- *Sampling Frame*: difficulties in accessing the proper number and type of people who are needed for a representative sample of the target population;
- *Non-response rate*: the fact that a lot of people will not participate in surveys or drop out; and
- *Measurement Error*: the fact that surveys are often full of systematic biases, and / or unavoidably loaded questions.

4.2.2. Research Population and Sampling

Coldwell and Herbst (2004: 74) states that a sample provides a finite part of a statistical population whose properties are studied to gain information about the whole. When dealing with people a sample can be defined as a set of respondents (people) selected from a larger population for the purpose of a survey; sampling is therefore the act, process or technique of selecting a representative part of the population for the purpose of determining the parameters or characteristics of the whole population (Coldwell and Herbst 2004:74). Ghauri et al. (1995) defines sampling as examining the sample instead of the whole population. Ghauri et al. (1995) also state that the population size is the number of units in the whole population being researched.

Codwell and Herbst (2004:73) defines sampling frame as the list of people from which the sample is taken. It should be comprehensive, complete and up to date.

Coldwell and Herbst (2004:74) make it clear that to draw conclusions about populations from samples, inferential statistics should be used, which enable a population's characteristics to be determined by directly observing an enumeration (a census) of the population.

A sample may be more accurate than a census and is expected to mirror the population from which it comes; however, there is no guarantee that any sample will be precisely representative of the population from which it is drawn (Coldwell and Herbst 2004:76).

4.2.2.1 Population

According to Babbie et al. (2006:173) the population is the theoretically specified aggregation of study elements. Babbie et al. (2006:174) add that a study population is the aggregation of elements from which the sample is actually selected. Coldwell and Herbst (2004) define a population as a group of individual persons, objects or items from which samples are taken for measurement. Blumberg et.al (2005) defines population as the total collection of elements about which we wish to make some inferences. As mentioned in Chapter one, the Sisonke District Municipality as in November 2008 had a total of 260 employees excluding 25 councillors. The population for this study is therefore 260.

4.2.2.2 Sampling procedure

Babbie et al. (2006:164) define sampling as the process of selecting observations. Coldwell and Herbst (2004:82) state that in general the sample size depends on the following principles:

- Whether the population is finite or infinite;
- The precision of the estimates one wishes to achieve;
- The confidence one needs to have in the findings being accurate;
- The number of variables that have to be examined simultaneously; and
- How heterogeneous the population sample is.

The Sisonke District Municipality consists of six departments namely, Corporate Services; Finance; Water Services; Infrastructure; Economic Development & Planning; and Operations. This study investigated the employees of this Municipality across all departments with specific focus on strategic managers, planners, engineers; technicians, project managers, artisans and professional personnel, i.e. accountants and social scientists.

The population of this study is 260, the sample being the municipality's employees possessing post matric qualifications, performing functions of administration, management, human resources, technical and or engineering, institutional and social development; accountancy and finance. The sample size was forty and therefore all 40 were sampled for this study and questionnaires were distributed to all of them. Only 31 completed the consent forms and responded to the questionnaire.

Saunders et al. (2003:155) advises that 30 is the minimum number for statistical analyses and provide a useful rule of thumb for the smallest number in each category within the overall sample.

4.2.2.3 Characteristics of the Chosen Sample

According to Rath (1991:124) a sample is a subset of the theoretical population, and embodies a procedure by which the characteristics of a large body of people (a population) can be inferred although only a few people (a sample) are interviewed. Coldwell and Herbst (2004:73) state that “*a sample is obtained by collecting information only about some member of a population*”.

Rath (1991:124) reports that there are two reasons why the method of sampling in survey research is employed: firstly, a researcher’s energy, time, talent and costs impose limitations; secondly, when the whole universe of the study becomes vast and heterogeneous, the researcher, by adapting the technique of sampling, makes the study scientific and convenient.

Rath (1991:127) states that a good sample is representative of the whole population. It must contain within itself, though on a smaller scale, the same characteristics, phenomena, relationships and processes which the larger group does. This is also supported by Blumberg et.al (2005:212) who states that a sample should have a proportional relationship to the size of the population from which it is drawn and should be large failing which is not a representative sample.

Rath (1991:126) identifies certain desired characteristics of a sample, as mentioned below:

- A proper sample must give a precise picture of the population from which it is drawn;
- The sample must be obtained by a probability process, which permits the use of statistical procedures to describe and analyse the data of the sample and to relate it to the population from which it came;
- The sample should be as small as considerations of precision permit, as economical as possible, and gathered as swiftly as the various measurement techniques permit.

4.2.2.4. Data Collection

Blumberg et.al (2005:69) states that data is the “*facts presented to the researcher from the study’s environment*”. He further state that data collection may range from observations to surveys. The survey research strategy has been chosen for this study; questionnaires were used to collect data from respondents. Saunders et al. (2003:92) note that the survey strategy is a popular and common strategy in business and management research, usually associated with the deductive research approach. Ghauri et. al. (1995: 58) reports that questionnaires and surveys are the most popular data collection method in business studies. According to Saunders et al. (2003:92) surveys allow the collection of a large amount of data from a sizeable population in a highly economical way, often obtained by using a questionnaire; these data are standardized, allowing easy comparison. Saunders et al. (2003:92) add that the data collected by the survey strategy may not be as wide-ranging as those collected by other research strategies, as there is a limit to the number of questions that any questionnaire can contain if the goodwill of the respondent is not to be presumed on too much. In this study primary data has been collected by means of providing questionnaires to the respondents, collecting completed questionnaires, and analysing the data gathered in reaching conclusions.

4.2.2.5 Primary Data

Blumberg et al. (2005:69) state that primary data are sought for their proximity to the truth and control over error. In this study primary data was collected by the above means as mentioned in the data collection section.

One of the most common forms of primary data collection is the survey: when a study is being undertaken about attitudes, beliefs, and behaviour of people, it is easier to depend on primary data collection and the survey analysis technique (Rath 1991:109). Reliance on primary data collection has been enhanced by advances in sampling, communication, transportation and computer analysis and these advances have made the survey technique more usable (Rath 1991:109).

4.2.2.6 Data Collection Instrument

As mentioned above, this research will follow the survey research approach with the particular use of a questionnaire. Below is a contrast between the two data collection instruments that could possibly have been utilised in this study as part of the survey approach. The advantages of a questionnaire as seen below are superior to those of an interview, with the latter also exhibiting more disadvantages than advantages; hence the questionnaire was chosen as the best instrument of data collection in this study.

Table 4.1 Comparison between Questionnaires and Interviews

Method	Overall Purpose	Advantages	Challenges
Questionnaire	1. When one needs to quickly and /or easily obtain information from people in a non-threatening way	1. Can be completed anonymously 2. Inexpensive to administer 3. Easy to compare and analyse 4. Can be administered to many people 5. Can collect plenty of data 6. Many sample questionnaires already exist	1. Might not obtain careful feedback 2. Wording can skew client's responses 3. Are impersonal 4. Does not tell the full story
Interviews	1. When you want to fully understand someone's impressions or experiences or learn more about their answers to questionnaires	1. Get full range and depth of information 2. Develop relationship with the client	1. Can be flexible with client 2. Can take much time 3. Can be hard to analyse and compare 4. Can be costly 5. Interviewer can skew client's responses

Source: Coldwell and Herbst (2004:48)

Questionnaires have more advantages than interviews, also are a quick and an easy way to obtain information in a non-threatening way, hence they were preferred over the interviews in this case study...

The type of a questionnaire that has been used in this study is a self administered, delivery and collection, questionnaire. Coldwell and Herbst (2004:281) describe these questionnaires as usually being completed by the respondents; they are delivered and returned electronically using either email or an online questionnaire; or posted to respondents who return them by

post after completion (postal or mail questionnaires); or delivered by hand to each respondent and collected later (delivery and collection questionnaires).

4.2.2.7 Characteristics of Questionnaire

As Rath (1991:179) points out, the term questionnaire refers to a device for securing answers to questions by using a form which the respondent fills in him/herself. Coldwell and Herbst (2004:47) add that questionnaires are always self administered, allowing respondents to fill them out by themselves; the researcher has only to arrange delivery and collection.

Closed questions are usually preferable to open questions as they also help to avoid differences in interpretation whilst open questions tend to produce a wider variety of interpretations by respondents and are also difficult to document and analyse (Coldwell and Herbst 2004:51). Since much information is already known, resulting from studies conducted on employee turnover, closed questions were chosen for this study.

The questionnaire as tested took at least 20 minutes to complete; this was seen as fair and as not consuming a lot of the respondent's time. In the covering letter to the respondent this was also emphasised so as to ensure that the respondent was aware of the time to be spent on the questionnaire beforehand.

4.2.2.8 Structure of Questionnaire and Development

Rath (1991:179) states that, structured questionnaires contain types of questions that present the respondent with fixed response alternatives; i.e., the question is worded in such a way as to induce the respondent to answer only in terms of two or more alternatives. In structured questions, possible answers have been preconceived and classified into possible groups: multiple choice questions, scaled-response questions, rating scale questions and special use questions (Rath 1991:179). A sample of the questionnaire used in this study is attached as appendix 3.

Because the sampled respondents are educated professionals a self administered questionnaire was relevant and therefore chosen.

4.3. Reliability and Validity of Research Instrument

According to Saunders et al. (2003:100), reducing the possibility of getting the answer wrong means that attention has to be given to two particular emphases in research design i.e. reliability and validity.

4.3.1 Reliability

Saunders et al. (2003:101) cited Easterby-Smith et al. (2002:53) who stated that reliability can be assessed by posing the following three questions:

- (i) Will the measures yield the same results on other occasions?
- (ii) Will similar observations be reached by other observers?
- (iii) Is there transparency in how sense was made from raw data?

The respondents were given questionnaires to complete in their own time; during the period there were no activities taking place in the municipality that have interfered with the respondents focus to complete the questionnaire, such as the end of the financial year or any related activity that would have affected them or put them under pressure.

4.3.2 Validity of Research Instrument

Babbie et. al (2006:122) define validity as the extent to which an empirical measure adequately reflects the true meaning of the concept under consideration. Saunders et al. (2003:101) states that validity is concerned with whether the findings are really about what they appear to be about. The author of the present study has looked at minimising any potential lack of validity by ensuring careful attention to data collection, analysis and interpretation of results.

4.4 Ethical Considerations

According to Coldwell & Herbst (2004:19), preserving the privacy and anonymity of the respondents is one of the prime responsibilities of the research professional; furthermore the research reports that are compiled about a client's business matters should not be distributed to any other third parties or other clients. Coldwell and Herbst (2004:19) also declare: *“Research professionals should not distort the statistical precision of their results. Further they should not inflate the importance of the results by changing the findings. It is presumed that the research professional has a responsibility to both the clients and the respondents to analyse the facts fairly and to report accurately. Any major error that has taken place during*

the research process should be reported". In undertaking this research the ethical clearance was granted by the University prior to the research commencing, also the respondents have been briefed through a letter on the objective of the research, their rights clarified and were requested to give consent in writing.

4.4.1 Principles of Research Ethics

Ethics as defined by Blumberg et.al (2005:92) "*is the study of the right behaviour and addresses the question to conduct research in a moral and responsible way*".

Blumberg et al. (2005:93) states that research must be designed so that participants do not suffer physical harm, discomfort, pain, embarrassment or loss of privacy. Blumberg further states that respondents should be informed before data is collected of the benefits expected from the research, and assurance of the protection of their rights.

In this study ethical clearance was first granted by the University prior to research commencing. When the questionnaires were sent out to the respondents the benefits of the study, respondents' rights and protection were clearly spelled out in writing and they were requested to give written consent. A sample of the utilised letter of informed consent is attached as Appendix 2.

4.4.2 Permission to Conduct the Study

A letter seeking permission to undertake the study was written to the Sisonke District Municipality's Municipal Manager who then tabled the request to the Executive Committee; permission was granted for the study to be undertaken (see Appendix 1).

4.5 Data Analysis

Data analysis usually involves reducing accumulated data to a manageable amount, developing summaries, looking for patterns and applying statistical techniques (Blumberg et al. 2005:70). The computer package, Statistical Package for the Social Sciences (SPSS), was utilised to analyse the raw data collected by means of the questionnaires. The SPSS is a tool that assists in summarising the data, compiling appropriate tables and graphs, examining relationships among variables, performing tests of statistical significance based on the hypothesis and developing fairly sophisticated models (Babbie et al. 2006:A1). The data was

first reduced to a reasonable quantity, which allowed for summaries in the form of percentages and graphs which revealed certain patterns and findings to be presented.

4.6. Literature on Research Methodology

According to Babbie et al. (2006:75) research methodology focuses on the research process and the kind of tools and procedures to be used, with the point of departure being the specific tasks (data collection or sampling) at hand, and focuses on the individual (not linear) steps in the research process and the most 'objective' (unbiased) procedures to be employed.

The research undertaken on employee turnover in most cases has followed a qualitative research methodology although some studies have been a combination of both qualitative and quantitative methods. Hussain (2001) employed a qualitative research methodology where questionnaires were dispatched and semi-structured interviews were conducted as a follow up to determine the consistency of the answers provided, with ex-employees and current employees and with supervisors and managers.

Mazwai (2006) used a qualitative research methodology: a questionnaire was designed for current employees with a specific focus on their intention to stay in the employ of the company. Manona (2000) applied a qualitative research methodology using questionnaires for current employees. Lephala (2006:50) made use of quantitative research, particularly an exploratory descriptive design, and administered questionnaires to respondents in different hospitals that were identified as participants for the study.

Bothma (1993) investigated the true extent of the labour turnover; the costs involved in appointing, training and losing a trained technician; established a connection between salaries and turnover rate; and the relationship between turnover intentions and individual/group variables. In this study questionnaires were utilised to obtain primary data from respondents.

Wilcox (1984), Miller (1977) and Willis (1983) both used secondary data. They analysed turnover statistics of companies and exit interviews using available information on their human resources documents and reports. These studies looked at gender and age patterns.

4.7 Problems Already Solved by Previous Research

The problems already solved by the research were reviewed from the studies of Mazwai (2006); Mathebula (2001); Hussain (2001) Mosoebe (2003); Luddy (2005); Lephhalala (2006); Manona (2000); National Agricultural Marketing Council (2007); Mabengano (2003); in these studies surveys were used and primary data was collected in identifying the employee turnover factors in various organisations.

Mazwai (2006) points out that there is unequivocal support of the relationship between job satisfaction, intent to stay and turnover. This study explored working conditions, the supervisor's skills and attitude or the relationship between the supervisor and the staff member, the availability of jobs in the market and the influence of personnel on turnover.

Masoebe (2003) confirmed that there are aspects in the work environment, such as the performance of the organisation as a whole, interpersonal relationships, recognition and working conditions, which contribute to the job satisfaction and / or retention of employees. These findings indicate deficits in needs on the physiological and social or belonging levels of Maslow's hierarchy of needs. According to Mathebula (2001) it is of critical importance that the relationship between employer and employee be well managed. This study revealed that work factors, biodemographic factors, organisational factors as well as the developmental levels of black managers have a major impact on employee turnover.

Hussain (2001) established in his study that remuneration, performance management, training management practices and skills of supervisors were the factors contributing to employee turnover. This study supports the findings of previous studies by Willis (1983) and Manona (2000).

Masoebe (2003) in his study found that whether the schools researched were rural or urban, this did not have a major influence on teacher turnover. This becomes an interesting point as the present study is undertaken in a rural municipality. Masoebe (2003) recommended that there be changes in policies for employment of teachers to guard against high turnover; later Mazwai (2006) in her study recommended that Electronic Media Network Ltd focus on controllable factors that influence turnover. Both these studies did not identify turnover patterns in terms of age, level in employment.

Lephalala (2006:51) in her research employed the use of Herzberg's theory of motivation. The motivators that the study investigated were work itself, workload, recognition, achievement, advancement and responsibility. The following were established as factors that would influence turnover:

- Work scheduling – changing work schedules without proper notice, which ended up disorganizing the employees' social life;
- Recognition – where senior employees were receiving more recognition than junior employees; and
- Responsibility – employees were not involved during decision making or in policy making.

Lephalala (2006:109) also discovered that supervision, salary, organisational and policy administration, working conditions and interpersonal relations influenced nursing turnover.

Manona (2000) documents the various factors that influence turnover including the supervisor-employee relationship, insufficient compensation, job dissatisfaction, need for better, flexible hours, increased responsibility, empowered decision making, exhausted learning opportunities, lack of recognition, no professional and personal growth, poor support services, incompetent staff, management skills and lack of guidance and direction by leadership.

According to the National Agricultural Marketing Council (NAMC) Human Resources Plan Report (2007: n.p. 5.4) the main reasons for employee turnover were as follows:

- Career progressions or development opportunities (even though people receive sufficient training);
- Lack of recognition; and
- Poor competitive remuneration.

The Report recommended that the intervention to retain an employee may only exist if one or more of the following apply:

- When an employee whose knowledge and skills contribute to the core business of the organisation and therefore occupies a key position and performs exceptionally well intends to leave;
- When an employee has made an exceptional contribution to the organisation and possesses scarce or specialized skills that are of strategic importance intends to leave;

- If a substantial investment has been made in the recruitment or development of a specific employee and
- If an employee who has been identified for enhanced career progression intends to leave.

Robbins (2001:36) states that tenure is also a potent variable in explaining turnover. He further states that tenure has consistently been found to be negatively related to turnover and has been suggested as one of the single best predictors of the latter.

Robbins (2001:36) confirms that evidence indicates that tenure in an employee's previous job is a powerful predictor of that employee's future turnover. The evidence indicates that tenure and satisfaction are positively related and when age and tenure are treated separately, tenure appears to be a more consistent and stable predictor of job satisfaction than is chronological age (Robbins 2001:36).

Robbins (2001:78) reports that satisfaction is negatively related to turnover but the correlation is stronger. Other factors that are important constraints on the actual decision to leave one's job, according to Robbins (2001:78), are labour market conditions; expectations about alternative job opportunities and length of tenure with the organisation. He states that evidence indicates that an important moderator of the satisfaction-turnover relationship is the employee's level of performance. Also, the level of satisfaction is less important in predicting turnover for superior performers. This is because organisations typically make considerable efforts to keep such staff. They receive pay raises, praise, recognition, increased promotional opportunities etc.

Mathis & Jackson (2003:79) and Mobley (1982:16-32) all agree that there are both benefits and negative consequences of turnover. Lee reports that this occurs because, the more dysfunctional turnover becomes for the firm, the more effort the organisation is likely to make in retention efforts.

The Eastern Cape Provincial Administration document on its attraction and retention strategy (2006:9-10) stipulates that employers need to manage employee turnover to ensure as little disruption in the workplace as possible and that therefore staff retention needs to be seen as a strategic human resource intervention in this regard. This document reports that survey results revealed the following:

- Trust is viewed as lacking in the provincial administration;

- Senior managers hold the view that employee appraisal and recognition of good work is still a challenge whilst fairness in recognition and rewarding good work is not practised;
- Growth and development opportunities represent a focal area for intervention because of their strategic importance for employee attraction and retention; critical interventions are essential in this area; and
- Communication is viewed as an area which needs to be strengthened, where managers are expected to provide information to their teams in order to perform their jobs according to set standards.

The study by Mabengano (2003:v) revealed the results of turnover as low salaries; bad working conditions; lack of supervision; lack of managerial support; lack of promotional opportunities; lack of training opportunities; lack of job selection and recruitment procedures; lack of motivation and economic conditions.

Luddy (2005:52) reports that a high employee turnover rate is often prevalent in an environment where employees are greatly dissatisfied. He further cited it has been established that a moderately strong relationship between job satisfaction and turnover, indicating that less satisfied workers are more likely to quit their jobs. The same study by Luddy (2005:52) point that a number of studies supported the view that turnover is inversely related to job satisfaction.

4.8 Conclusion

This chapter described the methodology and processes followed in undertaking the research while also dealing with ethical issues as well as the reliability and validity of the research instruments. The data, collected by means of questionnaires from 31 respondents, was then processed through the SPSS. This package was selected because of its ability to present the findings in statistical graphs. The next chapter presents the findings as packaged by the SPSS.

CHAPTER 5

5. Findings and Discussions

5.1 Introduction

The purpose of the study was to investigate factors contributing to the turnover and retention of staff at the Sisonke District Municipality itself. The researcher intended to exclude the local municipalities falling under the Sisonke District Municipality, with the focus falling on only the Sisonke District Municipality's employees. Furthermore, as mentioned, the study targeted the professional employees of the municipality, meaning those who are required to possess a post matriculation qualification as a job requirement.

As indicated, 40 out of 260 employees fitted this category since more than 100 of the municipal employees are labourers and plumbers (HR staff information provided to the researcher by the Director Human Resources of Sisonke District Municipality 2008).

There was a response rate of 77.5%. The questionnaire was divided into four categories, that is, Demographics, Turnover Factors, Retention Factors and Morale & Motivation.

5.2 Demographics Results

- **Language**

As regards the home languages of the 31 respondents, 22.6% were English speaking, 64.5% Zulu, Xhosa 9.7%; 3.2% were unclassified. Considering the respondents, the majority of them are Zulu's followed by English speaking respondents.

- **Age and Gender**

The majority (61.3%) of the respondents are aged between 22-32, and 38.7% between the ages 33-43. Females constituted 58.1% of the 31 respondents and males, 41.9%. The majority of the respondents are young adults, this means the career pathing in the municipality is of critical importance.

- **Marital status and dependants**

Of the 31 respondents, 77.4% were single and 22.6% married, 74.2% have dependants, 22.6% have none and 3.2% are unclassified. Of the 31 respondents 61.3% have between 1-2 dependants,

19.4% reported 3-4 dependants and 19.4 % were unclassified. Taking into account the information above and age and gender information, it can be concluded that the majority of the employees are young adults and single.

- **Education Status**

Of the 31 respondents 6.5% reported between 1-2 years of formal education beyond matric; 71% between 3-4 years; 9.7%, 5-6 years and 12.9% more than 6 years. In terms of their highest academic qualification, 16.1% hold a degree, 77.4% possess a post degree/diploma and 6.5% are unclassified. The majority of employees have a post graduate qualification which is good for the municipality.

- **Work Experience**

6.5% of the 31 respondents had worked / been employed for less than a year; 45.2%, for 1-5 years; 22.6%, for 6-10 years; 16.7, for 11-15 years; 6.5% for more than 16 years and 3.2% were unclassified. Only 23.2% of employees have more than 10 years of work experience with 67.8% having between 1 and 10 years of experience. This imbalance is quite concerning to the municipality as some knowledge is acquired through work experience which becomes important to the output of the organisation.

- **Salary Income**

The personal gross income per month of the respondents indicated that 12.9% earn between R5001-R10 000; 41.9%, between R10 001-R15 000; 25.8%, between R15 001-R20 000; 9.7% between R20 001-R25 000; 6.5% more than R25 000; 3.2% are unclassified. These results show that 80.6% of the respondent's salaries are below those of Assistant Directors in the public service, whilst 9.7% are earning at Assistant Director Level with only 6.5% at above. This indicates that the municipality salaries are low.

- **Fields of employment**

The 31 respondents were drawn from various departments within the Sisonke District Municipality with 12.9% in the accounting field; 22.6% in administration; 6.5% in finance; 22.6% in human resources management; 12.9% in the technical field; 9.7% in the institutional and social development field; 3.2% in the planning field; 6.5% in other fields and 3.2% unclassified.

5.3 Turnover Factors Results

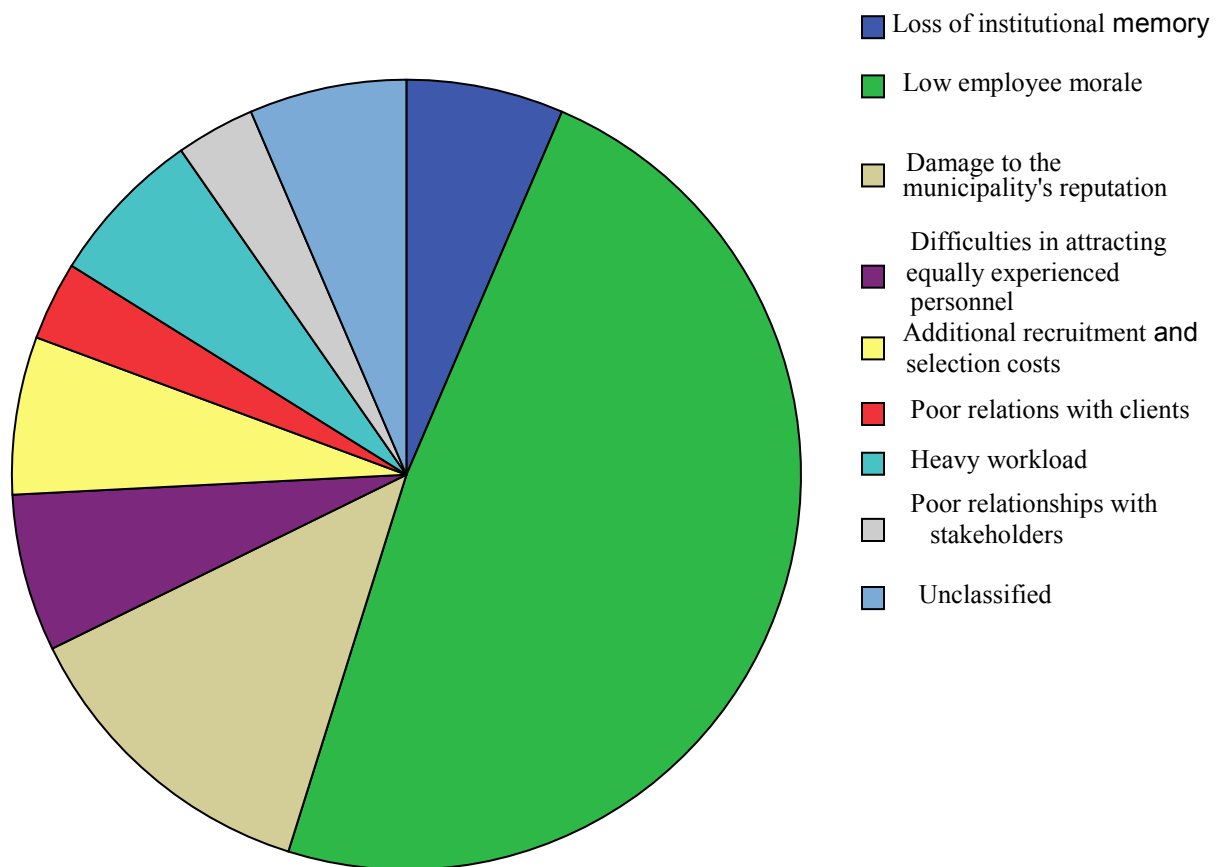
- **Reasons that would cause employees to leave the municipality**

Of the 31 respondents 51.6% revealed that the reason/s that would cause them to leave the municipality would be for better career prospects, or owing to: insufficient pay (3.2%) political/councillor relationship (3.2%), dismissal (3.2%), working conditions (9.7%), relationship with the supervisor (6.5%), unfair and unequal treatment (3.2%), retrenchment (3.2%), poor management and leadership (16.1%). This signifies the importance for the municipality to ensure it offers opportunities for growth and development.

- **Factors perceived as being impacted on by turnover**

When respondents were asked which factors they think are impacted on by turnover, the following answers were given: loss of institutional memory (6.5%), low employee morale (48.4%), damage to municipality's reputation (12.9%), difficulties in attracting equally experienced personnel (6.5%), additional recruitment and selection costs (6.5%), poor relations with clients (3.2%), heavy work load (6.5%) and poor relationship with stakeholders (3.2%) while 6.5% remained unclassified. The results are depicted in the figure below.

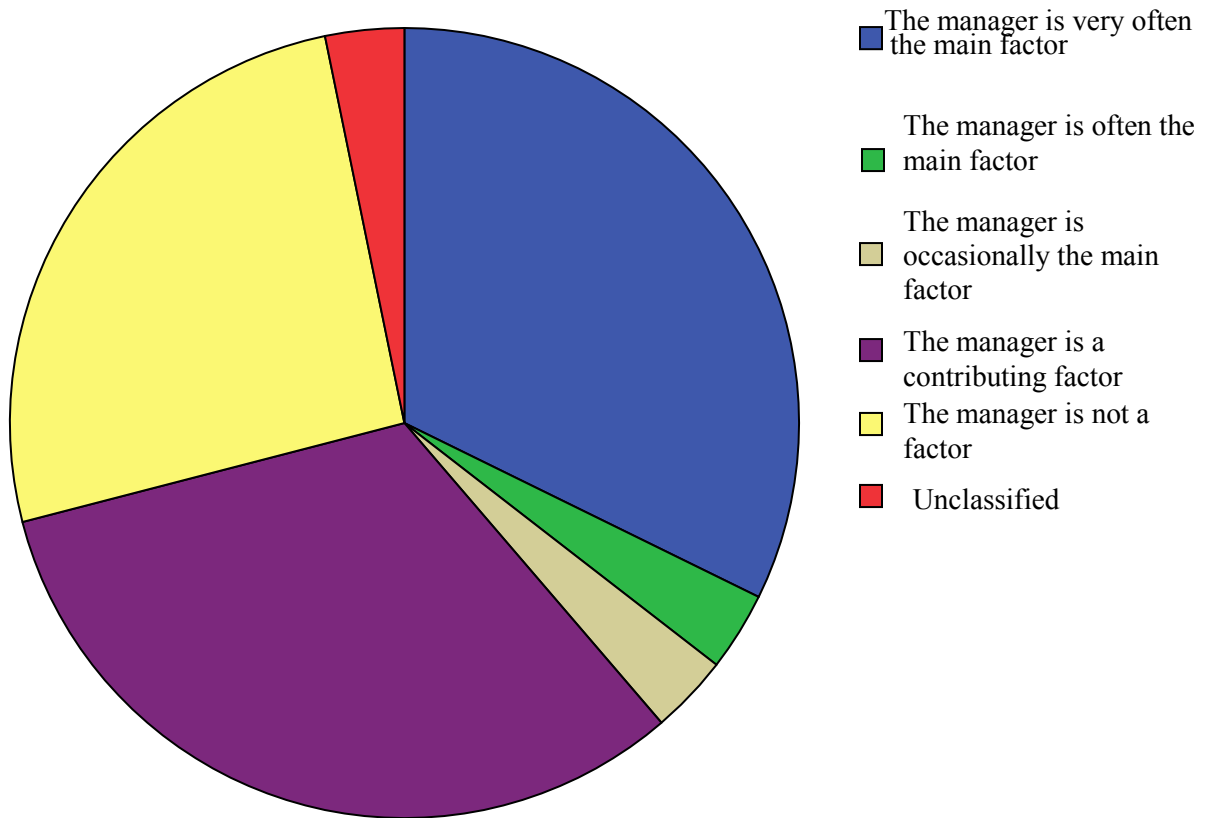
Figure 5.3.1 Results of factors impacted on by turnover



- **Voluntary resignation due to employee’s relationship with immediate manager**

Of the 31 respondents, 32.3% believed that the manager is often the main factor, 3.2% believed that often the manager is the main factor, 3.2% believed that the manager is occasionally the main factor, 32.3% believed that the manager is a contributing factor, 25.8% believed that the manager is not a factor whilst 3.2% were unclassified. 71% believed relationship with immediate manager contributes to employee turnover.

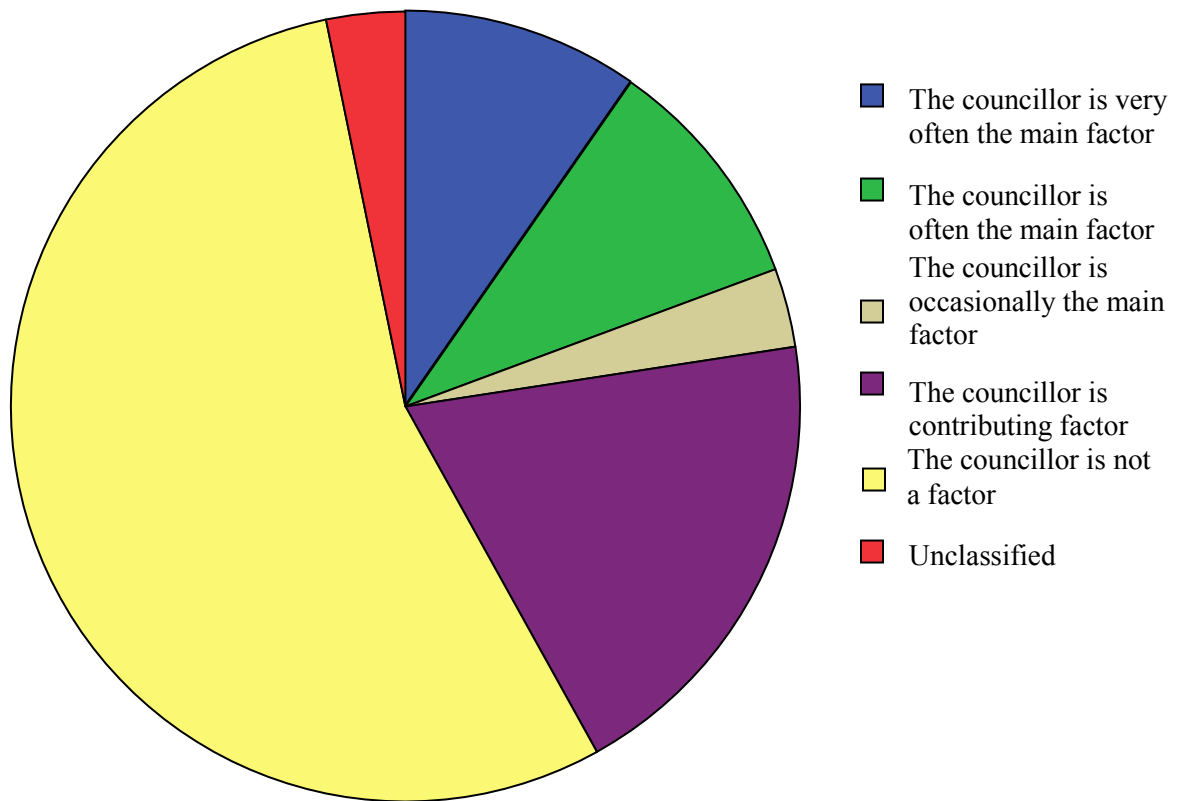
Figure 5.3.2 Voluntary resignations due to the employees’ relationship with immediate manager



- **Voluntary resignations due to employees' relationship with the councillors**

Of the 31 respondents, 9.7% believed that voluntary resignations due to the employee's relationship with councillors are very often the main factor, 3.2% believed that this was occasionally the main factor, 19.4% considered this to be a contributing factor with 54.8% believing that the councillor is not a factor whilst 3.2% remained unclassified.

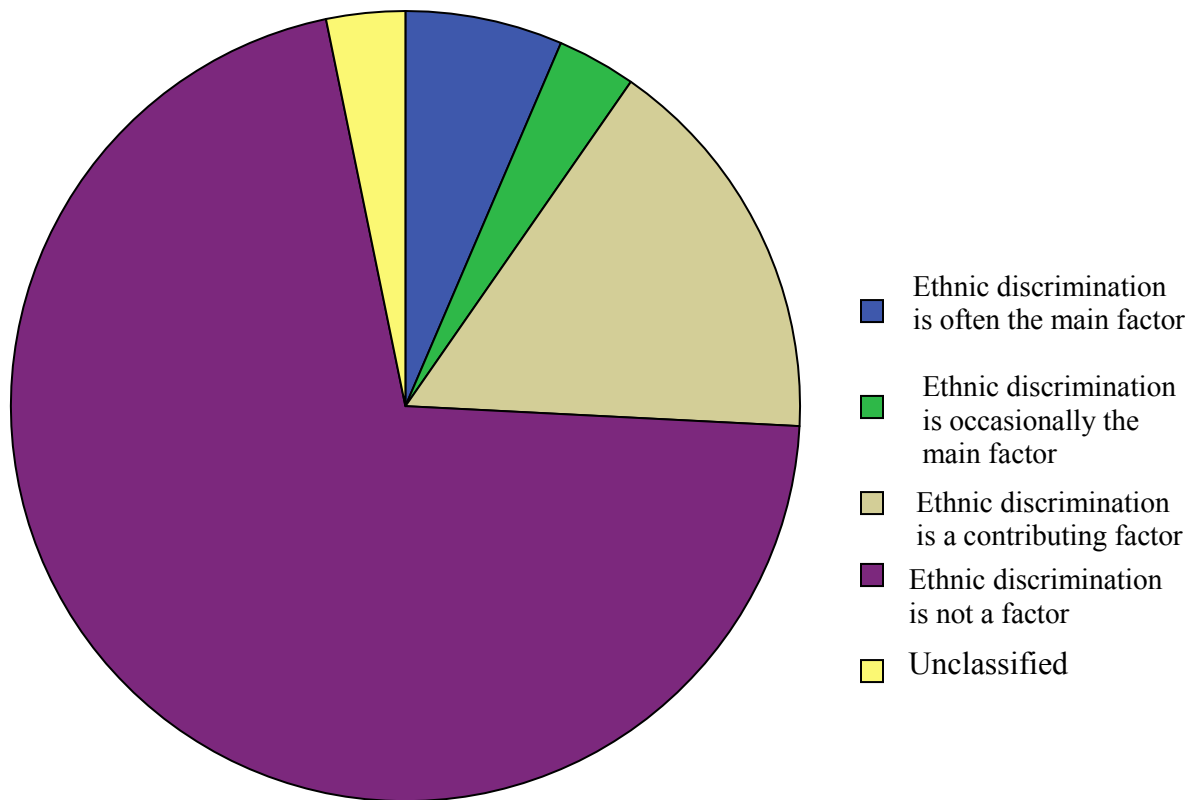
Figure 5.3.3 Voluntary resignations due to the employee's relationship with the councillor



- **Ethnic discrimination as the factor that causes turnover**

Of the 31 respondents 6.5% believed that such discrimination is often the main turnover factor; 3.2%, occasionally; 16.1%, a contributing turnover factor and 71.0% believed that it is not a turnover factor whilst 3.2% remain unclassified. The results show that ethnic discrimination is not a turnover factor.

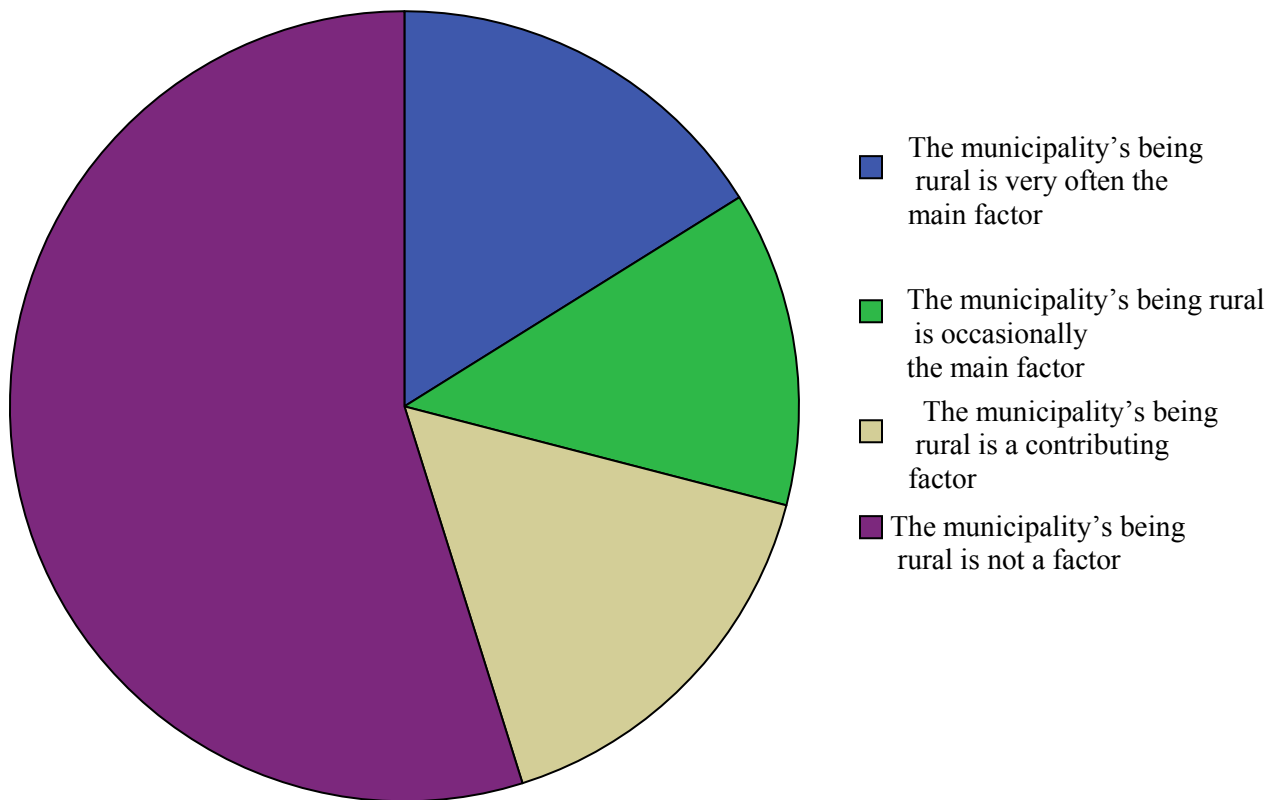
Figure 5.3.4 Voluntary resignations due the ethnicity discrimination of employees



- **The municipality being a rural municipality as a turnover factor**

Of the 31 respondents, 16.1% believed that the municipality's being rural is very often the main factor; 12.9%, occasionally; 16.1%, a contributing factor while 54.8% believe that it is not a factor. These results are displayed in figure 5.5. below:

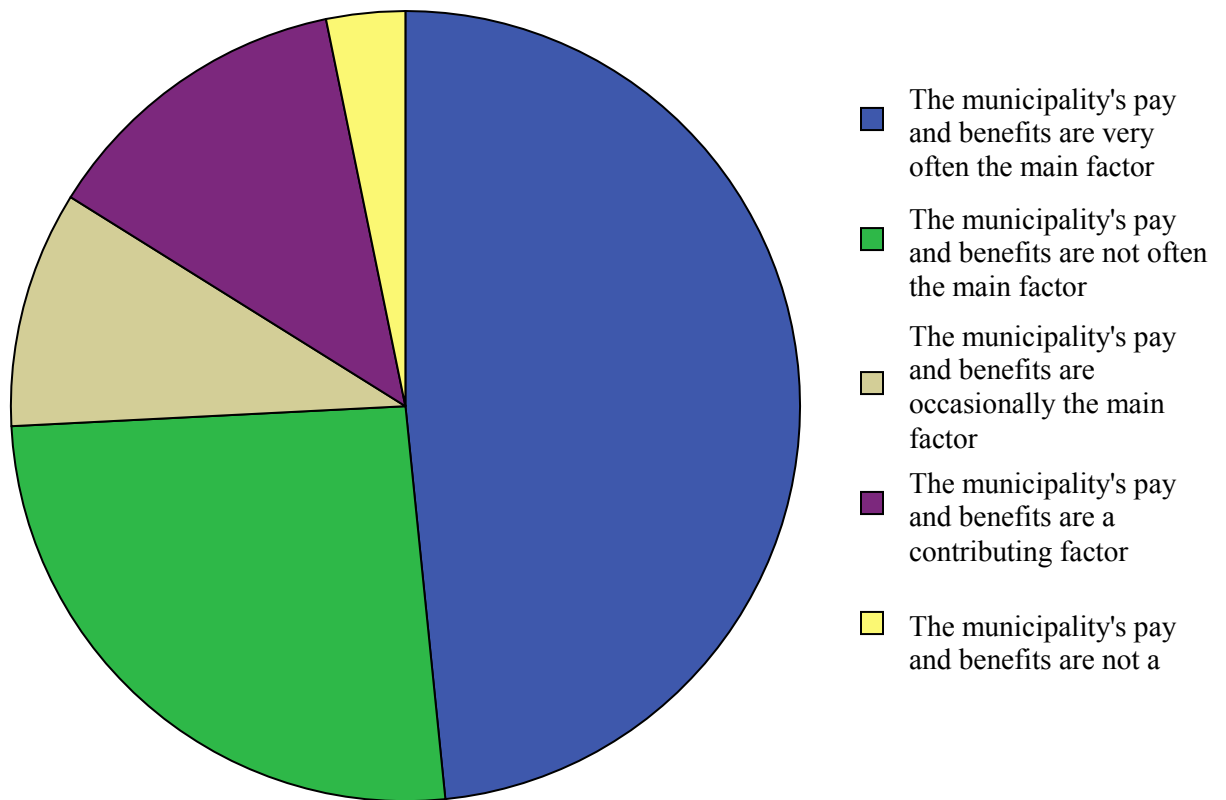
Figure 5.3.5 Voluntary resignations due to the rural nature of Sisonke District Municipality



- **Voluntary resignations due to the municipality's remuneration**

Of the 31 respondents 48.4% believed that the municipality's pay and benefits are very often the main turnover factor; 25.8%, often; 9.7%, occasionally; 12.9%, a contributing factor while 3.2% believed it is not a factor. It is clear that the municipality's pay is a turnover contributing factor.

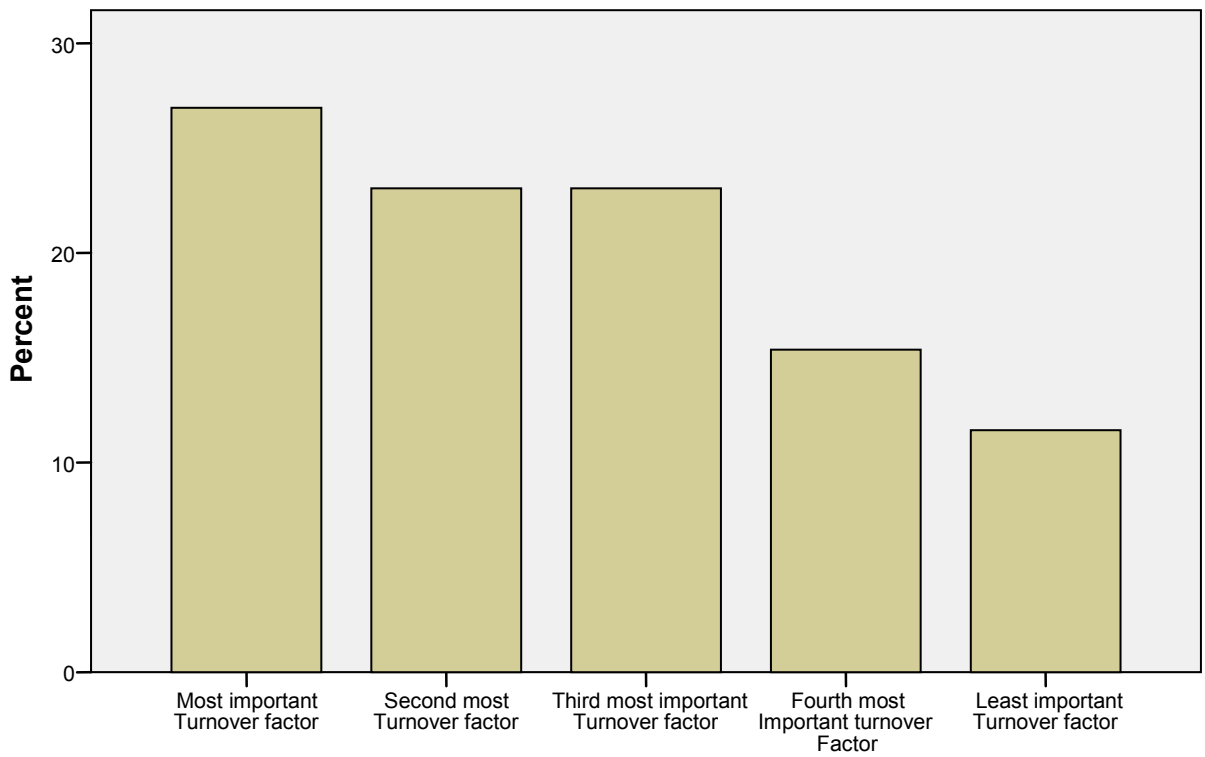
Figure 5.3.6 Voluntary resignations due to the Sisonke District Municipality remuneration



- **Trust, concern and support from the councillors**

Of the 31 respondents, it was revealed that 22.6% believed that this is the most important turnover factor, 19.4% the second, 19.4% the third, 12.9% fourth, and 9.7% the least important factor while 16.1% are unclassified. This indicates that the trust, concern and support from councillors are important factors that impact on turnover.

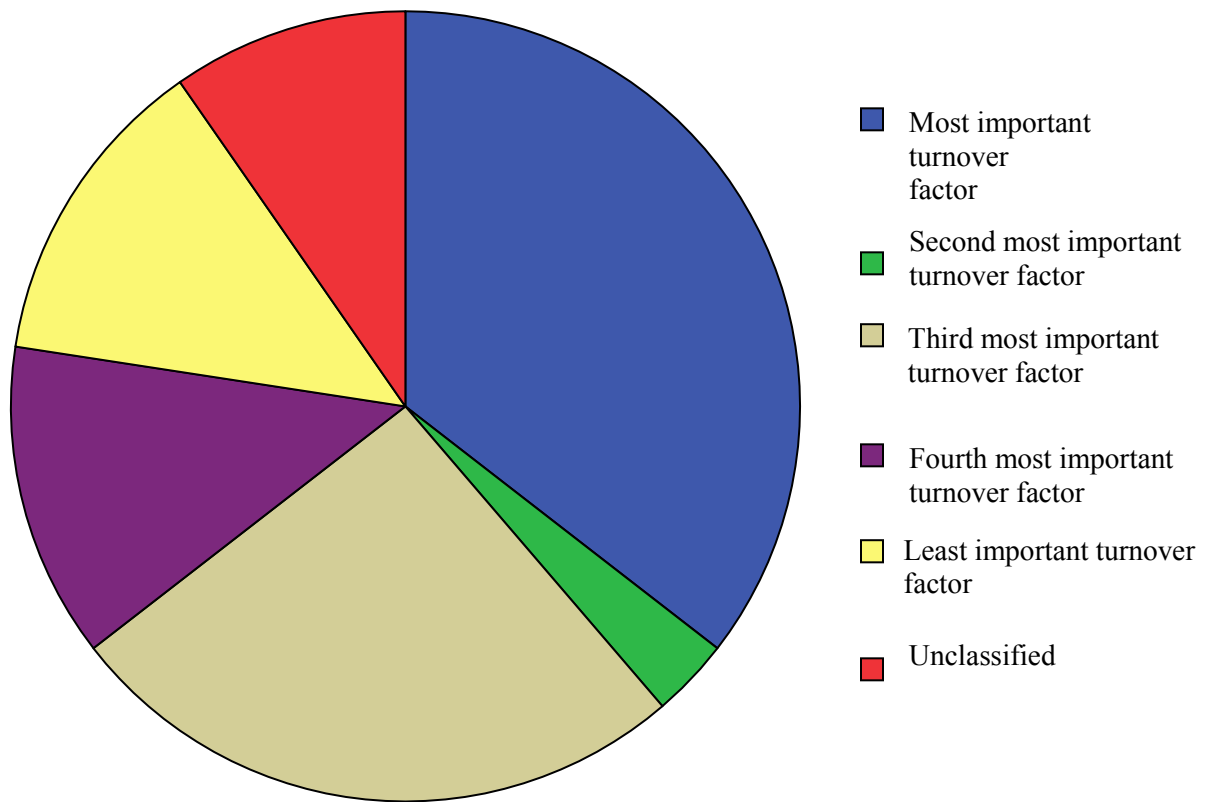
Figure 5.3.7 Trust, concern and support from councillors



- **Communication and consultation as a turnover factor**

Of the 31 respondents, 35.5% believed that it is the most important turnover factor, 3.2% the second, 25.8% the third, 12.9% the fourth, and 12.9% the least while 9.7% are unclassified. The results show that communication and consultation do impact on turnover.

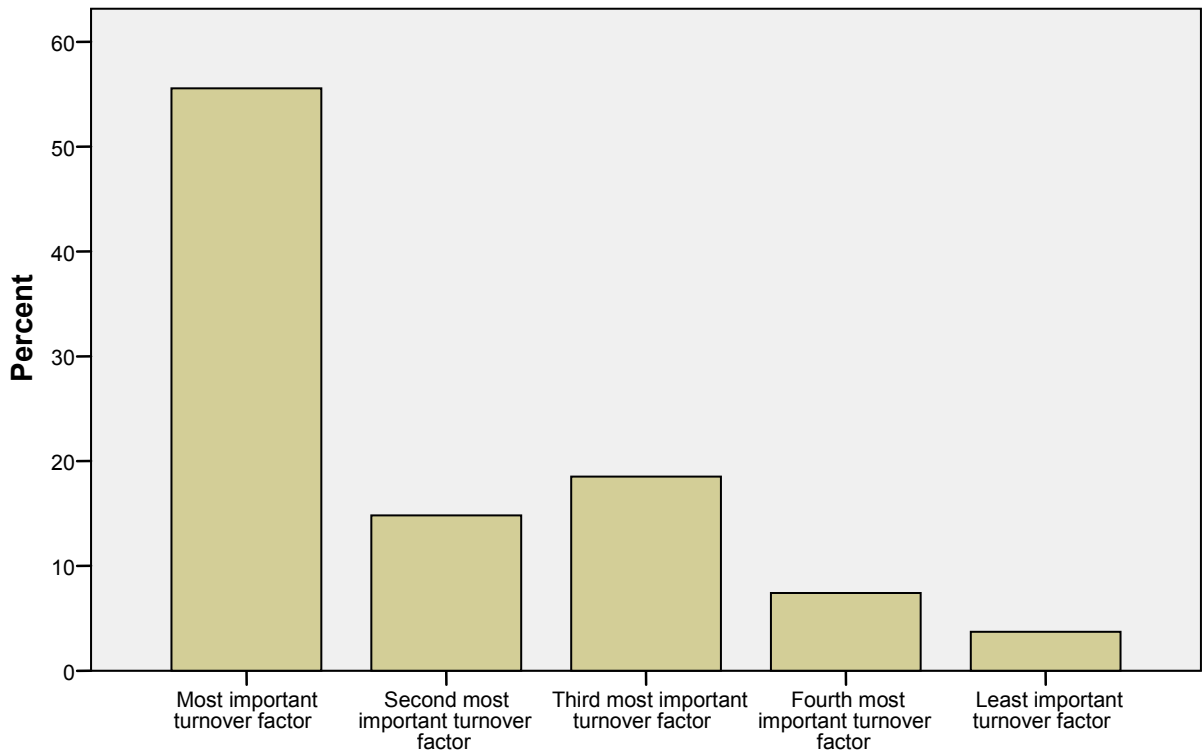
Figure 5.3.8 Communication and consultation



- **The importance of pay and benefits as a turnover factor**

Of the 31 respondents, the results revealed that 48.4 % believed this is the most important turnover factor, 12.9% the second, 16.1 % third, 6.5% the fourth whilst 3.2% believed it is the least important turnover factor with 12.9% being unclassified. The importance of pay and benefit is indicated as imparting on turnover, these results are inline with the results above which indicates that voluntary resignations due to municipality’s remuneration is a turnover contributing factor.

Figure 5.3.9 Pay and benefits



- **Importance of ethnic discrimination as a turnover factor**

Of the 31 respondents 22.6% believed this is the most important turnover factor, 3.2% the second, 12.9% the third, 6.5% the fourth whilst 38.7% believed it is the least important turnover factor; 16.1% were unclassified.

- **The importance of organisational image as a turnover factor**

Of the 31 respondents 12.9% believed this the most important factor, 9.7%, 22.6% the third, 29.0% the fourth and 6.5% the least with 19.4% being unclassified.

- **Employee relations as an important turnover factor**

Of the 31 respondents 16.1% believed that this is the most important turnover factor, 19.4% the second, 35.5% the third, and 16.1% the fourth with 12.9% being unclassified. Results show that this is an important turnover factor.

- **Career development opportunities as an important turnover factor**

Of the 31 respondents 45.2% believed this is the most important turnover factor, 22.6% the second, 12.9% the third, 3.2% the fourth and 3.2% the least with 12.9% being unclassified. According to the results this is an important turnover factor.

- **Working conditions as a turnover factor**

The results revealed that 45.2% of the respondents believed this is the most important factor, 16.1% the second, 16.1% the third, 3.2% the fourth and 3.2% the least, with 16.1% unclassified. Working conditions have been revealed by the findings as an important turnover factor.

- **The area's being rural as a turnover factor**

The findings revealed that 3.2% of the respondents believed that this is the most important turnover factor, 6.5% the second, 12.9% the third, 6.5 % the fourth and 54.8% the least important factor with 16.1% being unclassified.

- **Political/councillor interference as a turnover factor**

The results revealed that 16.1% believed this is the most important turnover factor, 12.9% the second, 6.5% the third, 12.9% the fourth and 35.5% the least important factor, with 16.1% being unclassified.

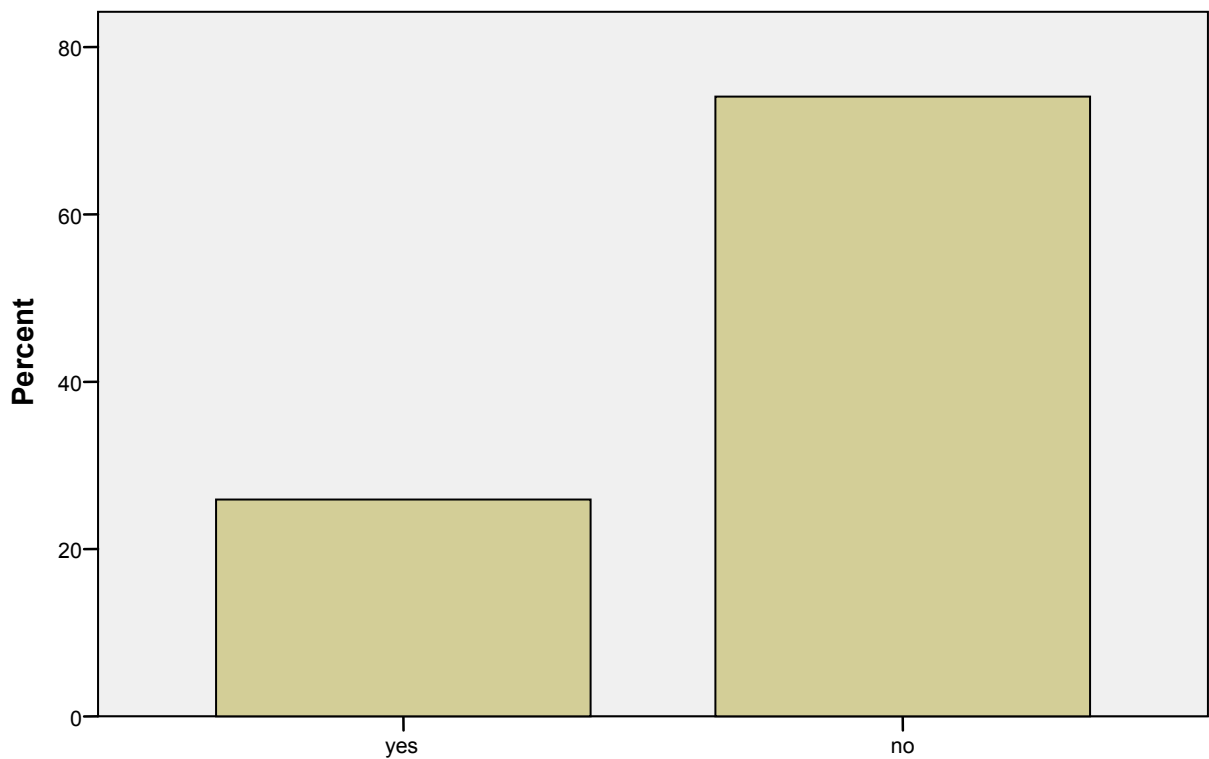
5.4 Employee Retention Factors

In tabling the results with regard to employee retention the total number of respondents in all the areas were 31 staff members, as noted earlier.

- **Use of recruitment and selection processes to increase employee retention**

22.6% of the 31 respondents answered the municipality does employ recruitment and selection processes whilst 64.4% answered that the municipality does not use such processes to increase employee retention; 12.9% were unclassified. The majority of the respondents reported that the municipality does not use the recruitment and selection processes to increase employee retention. For every institution to be able to retain staff it becomes critical to use the recruitment and selection processes, when there are weaknesses in the system so will be challenges for the organisation to retain the staff it does not want to lose.

Figure 5.4.1 Use of recruitment and selection processes to increase employee retention



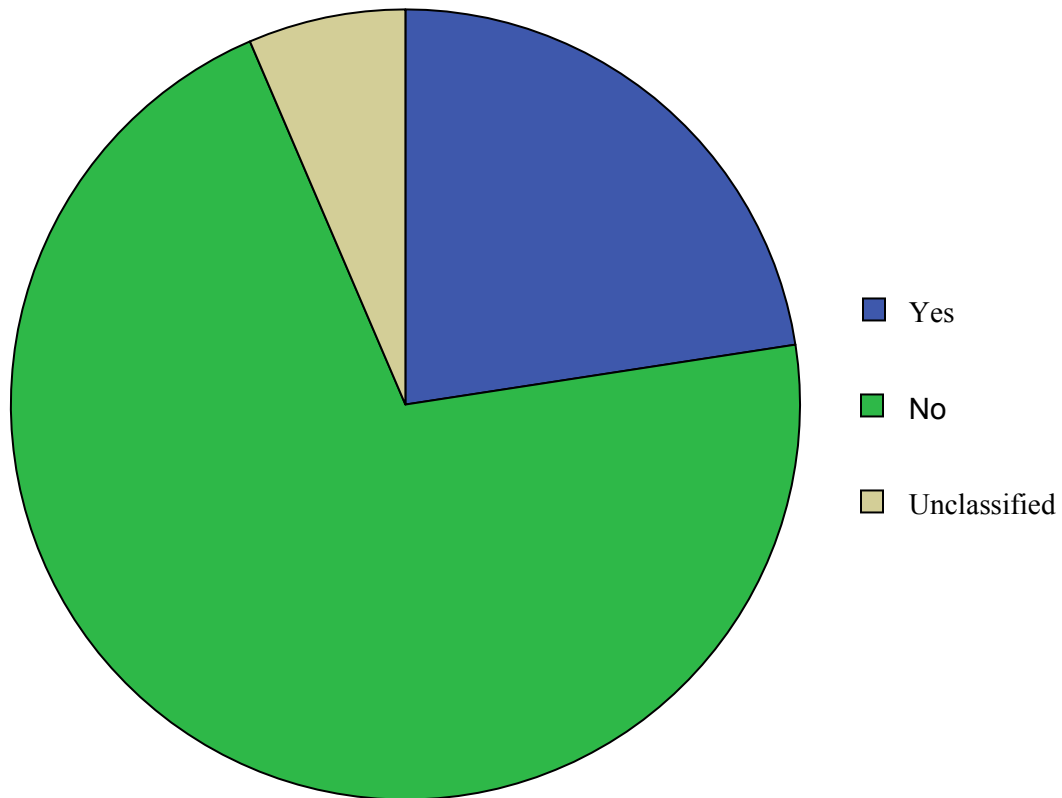
- **Does the municipality have an induction and job orientation programme?**

Of the 31 respondents 6.5% indicated that the municipality does have an induction and job orientation programme whilst 87.1% said the municipality does not operate such a programme, with 6.5% being unclassified. For each new employee in every organisation it becomes important to be inducted and orientated into the new organisation. Lack of this, put the organisation in a challenge of having informed new employees and closing gaps from old to new employees in ensuring continuity in provision of quality, efficient and effective service to the customers. For a municipality not to have induction and job orientation programme is a big disadvantage and will have negative impact to retain staff.

- **Does the municipality provide on the job training?**

According to the results, 22.6% of the 31 respondents answered that the municipality does provide on the job training, 71.0% replied no and 6.5% were unclassified. For employees to continually grow and improve both knowledge and service provided on job training is critical. Lack of this therefore will have a negative impact and might result to an organisation being unable to retain staff.

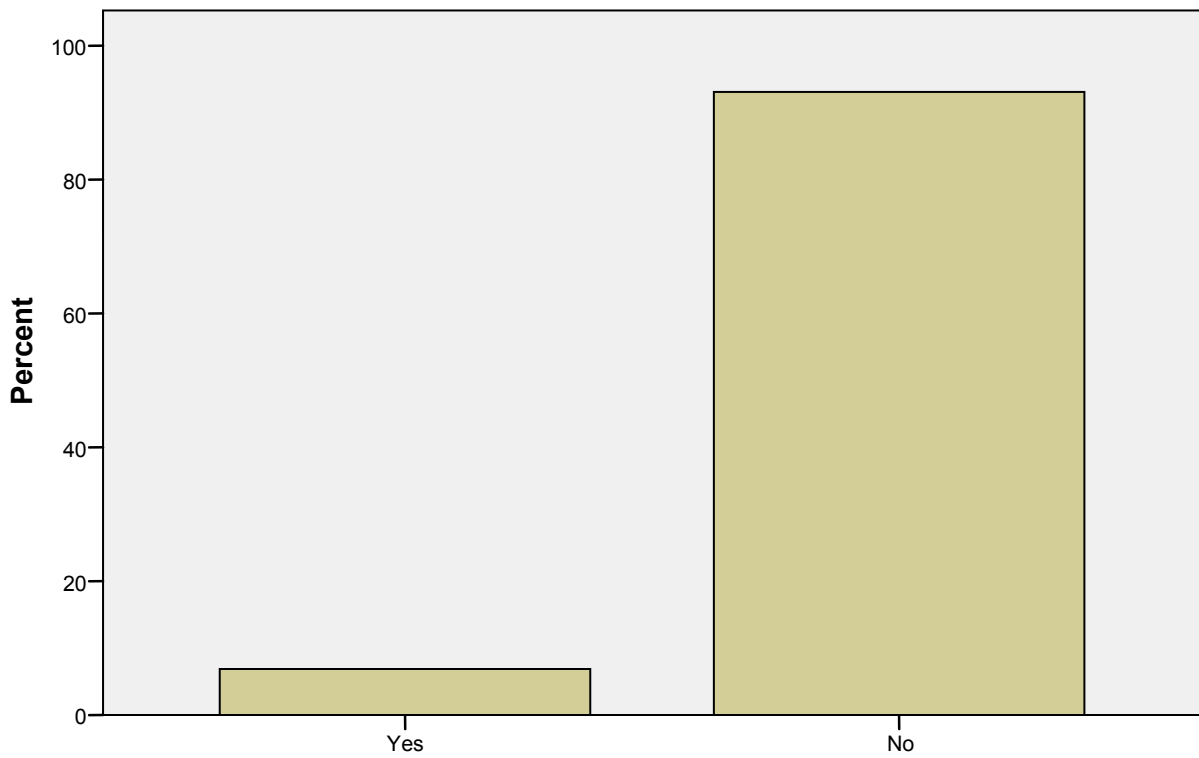
5.4.2 Does the municipality implement on the job training aimed to increase employee retention?



- **Does the municipality offer equal opportunities?**

With regards to offering equal opportunities to all employees 6.5% respondents of the 31 replied yes while 87.1% answered no, with 6.5% being unclassified. Provision of equal opportunities is critical in ensuring staff retention as the opposite pushes the staff out of the employ of the organisation. Offering equal opportunities is an important staff retention factor.

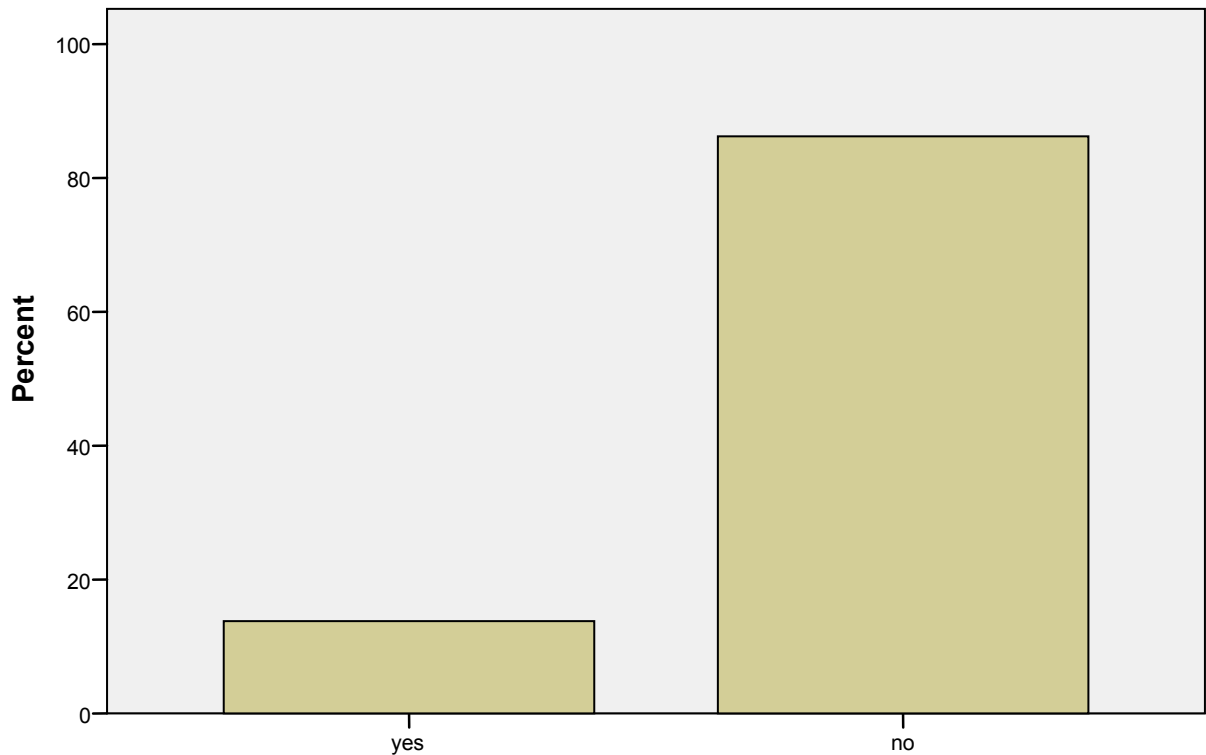
5.4.3. Does the municipality offer equal opportunities to all employees to increase employee retention?



- **Do the salaries paid by the municipality assist in increasing employee retention?**

Salaries paid by the municipality were also considered in the investigation of factors that could increase employee retention. In response to the question in this regard, 12.9% considered that salaries paid by the municipality do contribute to increasing employee retention whilst 80.6% indicated that this was not the case with 6.5% unclassified. This supports the results above that showed that 48.4% of the respondents believed that pay and benefits is the most turnover factor, also a total of 74.2 % of the respondents believed that the municipality's remuneration is a contributing turnover factor.

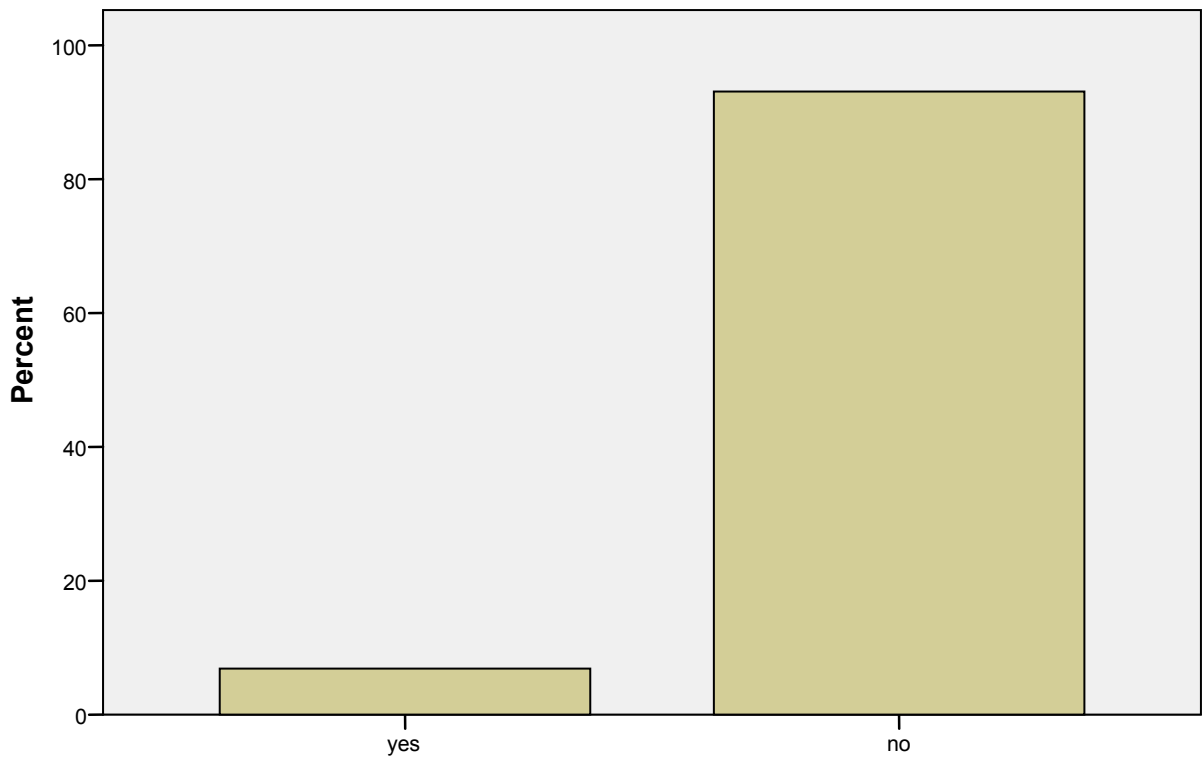
5.4.4 Do the salaries paid by the municipality assist in increasing employee retention?



- **Does the municipality have skilled and competent management to ensure employee retention?**

Of the 31 respondents 6.5% answered that the municipality does have skilled and competent management to ensure employee retention while 87.1% did not think so with 6.5% being unclassified. These results show that this is an important employee retention factor.

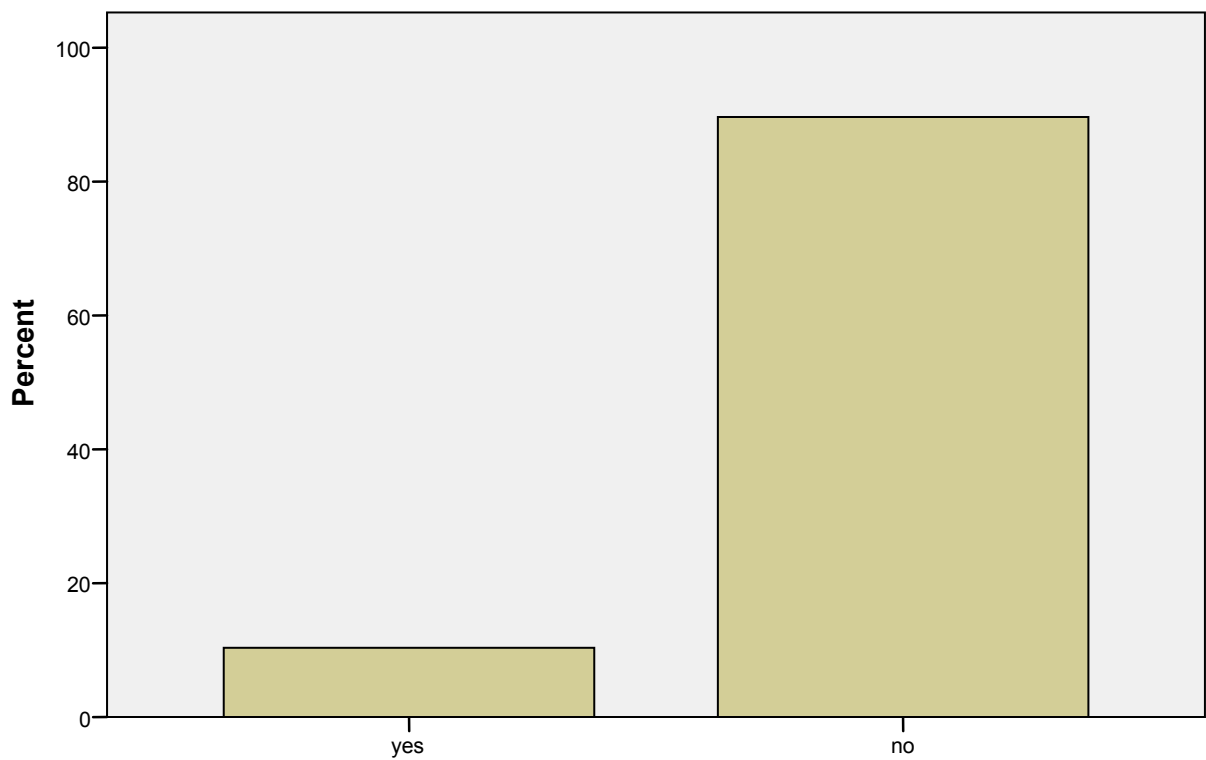
5.4.5 Does the municipality have skilled and competent management to ensure employee retention?



- **Does the municipality pay any performance rewards as a way to increase employee retention?**

In this regard, 9.5% of the 31 respondents responded affirmatively and 83.9% negatively with 6.5% being unclassified. This is an employee retention factor.

5.4.6 Does the municipality pay any performance rewards as a way to increase employee retention?



- **Does the municipality have a personal development programme?**

25.8% of the 31 respondents replied that the municipality does have personal development programmes in place to assist in increasing employee retention while 67.7% answered that the municipality does not, with 6.5% being unclassified.

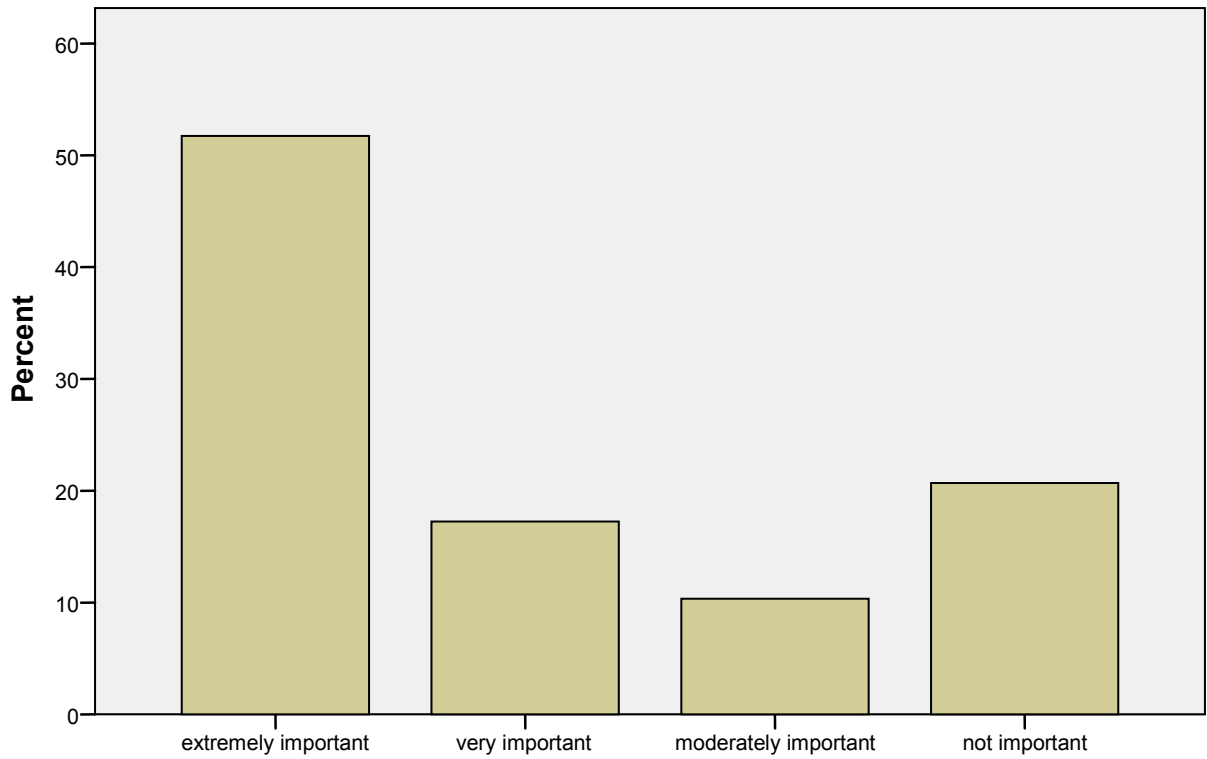
- **Has voluntary turnover increased in the municipality?**

In rating whether voluntary turnover has increased in the municipality, 35.5% replied that it has, 22.6% felt it has decreased while 35.5% answered that it has stayed the same; 6.5% were unclassified.

- **The importance of improving employee retention as a strategic priority for the municipality**

Of the 31 respondents 48.4% believed this is extremely important, 16.1% very important, 9.7% moderately important, 19.4% not important and 6.5% unclassified.

5.4.7 How important would you rank improving employee retention as a strategic priority?



•

- **Do you believe that managers believe employee retention improves service delivery?**

The findings revealed that 9.7% of the 31 respondents believed that their managers believed employee retention improves service delivery to a very great extent, 12.9% to a greater extent, 54.8% to a moderate extent, 16.1% not at all and 6.5% unclassified.

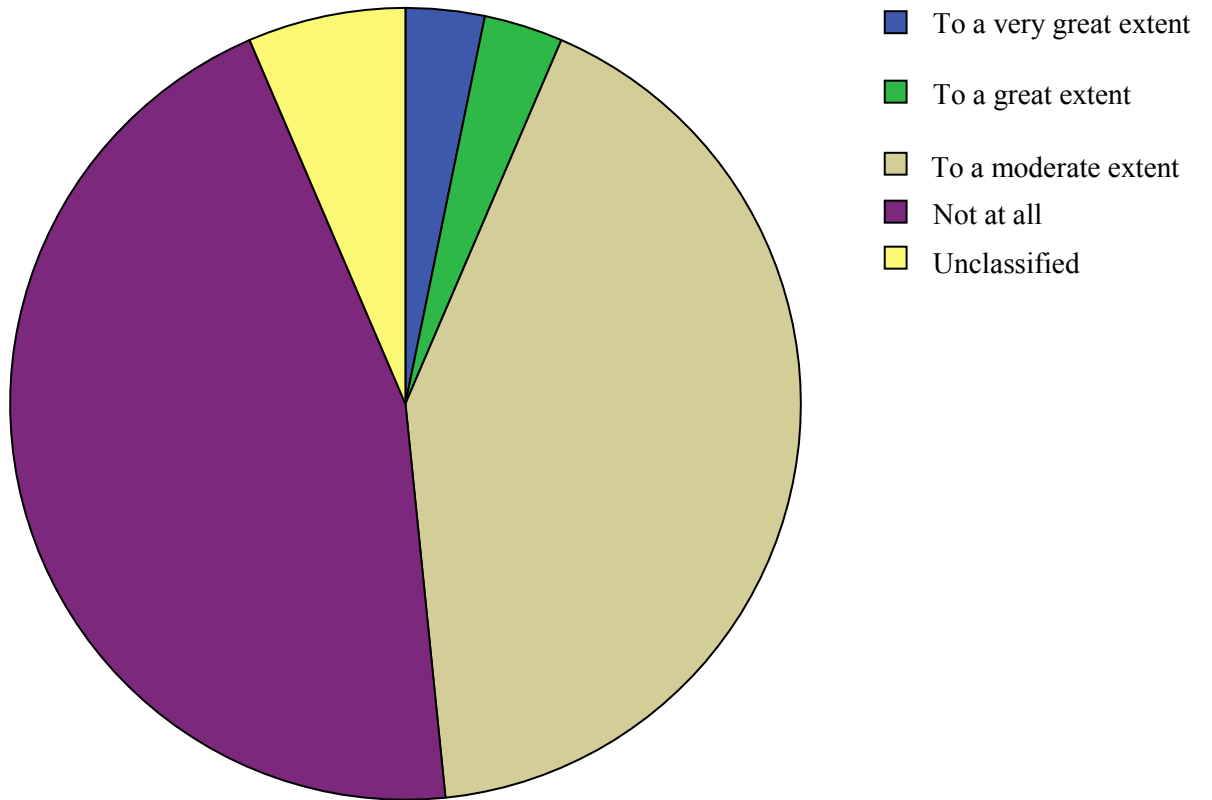
- **Are managers aware of employees who might be leaving the municipality?**

The study found that 29.0% of the 31 respondents replied that managers are aware, to a very great extent, of employees who might be leaving the municipality, 3.2% to a great extent, 35.5% to a moderate extent, 22.6% not at all with 9.7% unclassified.

- **To what extent do managers have the skills required to retain talented staff members?**

In response to this question, of the 31 respondents, 3.2% believed that managers do have the skills required to retain talented members to a very great extent, 3.2% to a great extent, 41.9% to a moderate extent and 45.2% not at all with 6.5% unclassified. This is inline with the response above on whether municipality has skilled and competent management to ensure employee retention where 87.1 % of respondents believed the municipality does not have such management.

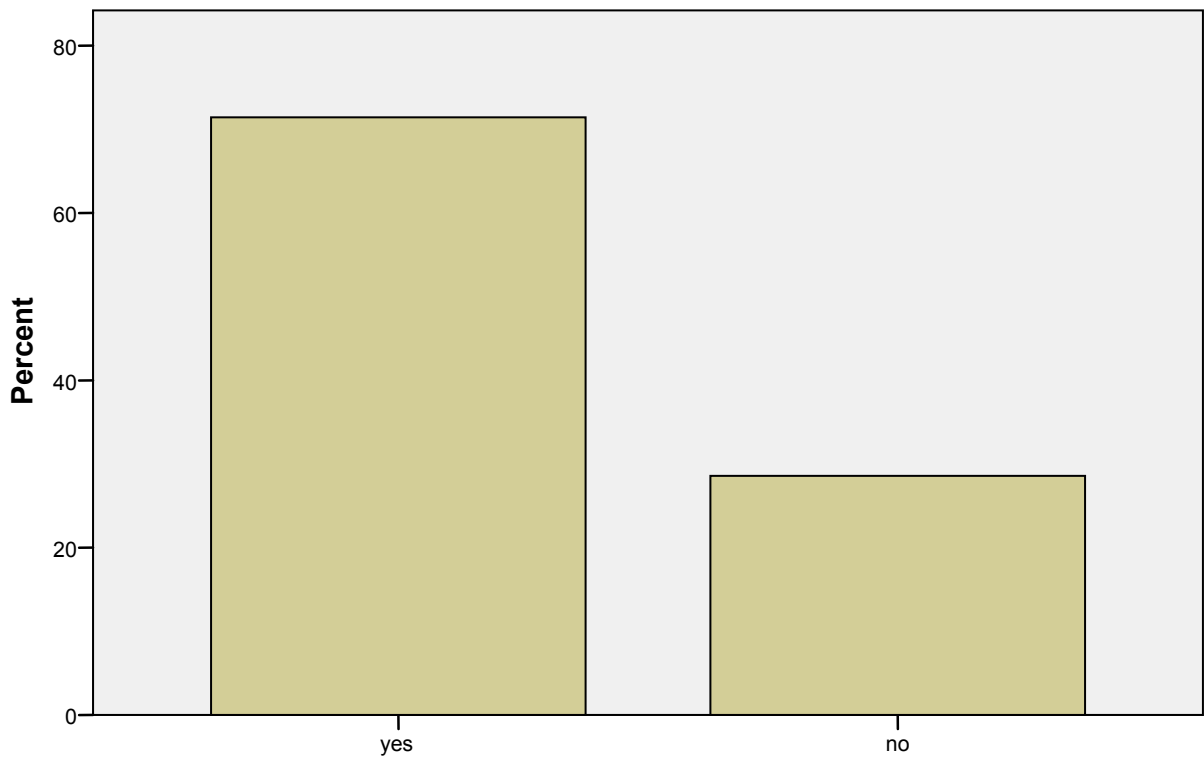
5.4.8 To what extent do managers have skills required to retain talented members?



5.5 Morale and Motivation Factors

With regards to morale and motivation, the survey revealed that of the 31 respondents 64.5% answered that they were feeling positive about their work, 25.8% replied that they were not with 9.7 % unclassified.

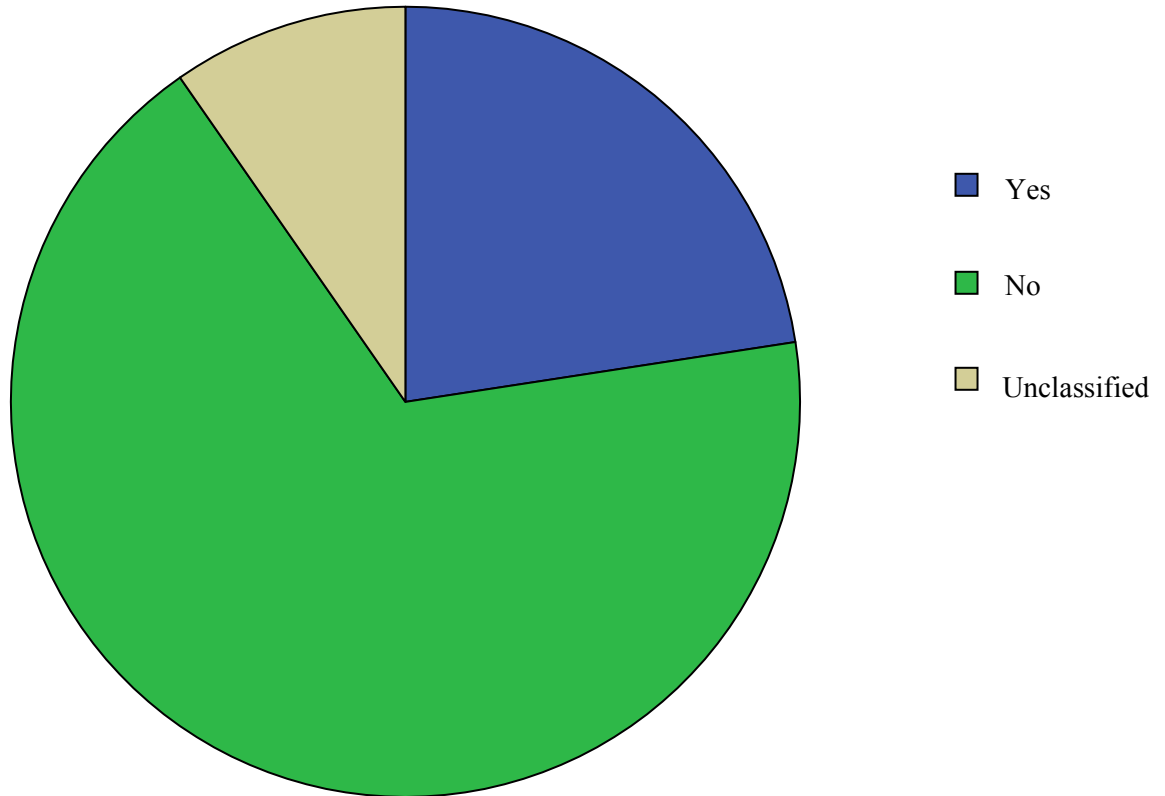
5.5.1 Do you feel positive about your work?



- **Were you made to feel that you are important to the municipality?**

Of the 31 respondents, regarding the question as to whether they were made to feel important to the municipality, 22.6% said yes, 67.7% said no and 9.7% were unclassified.

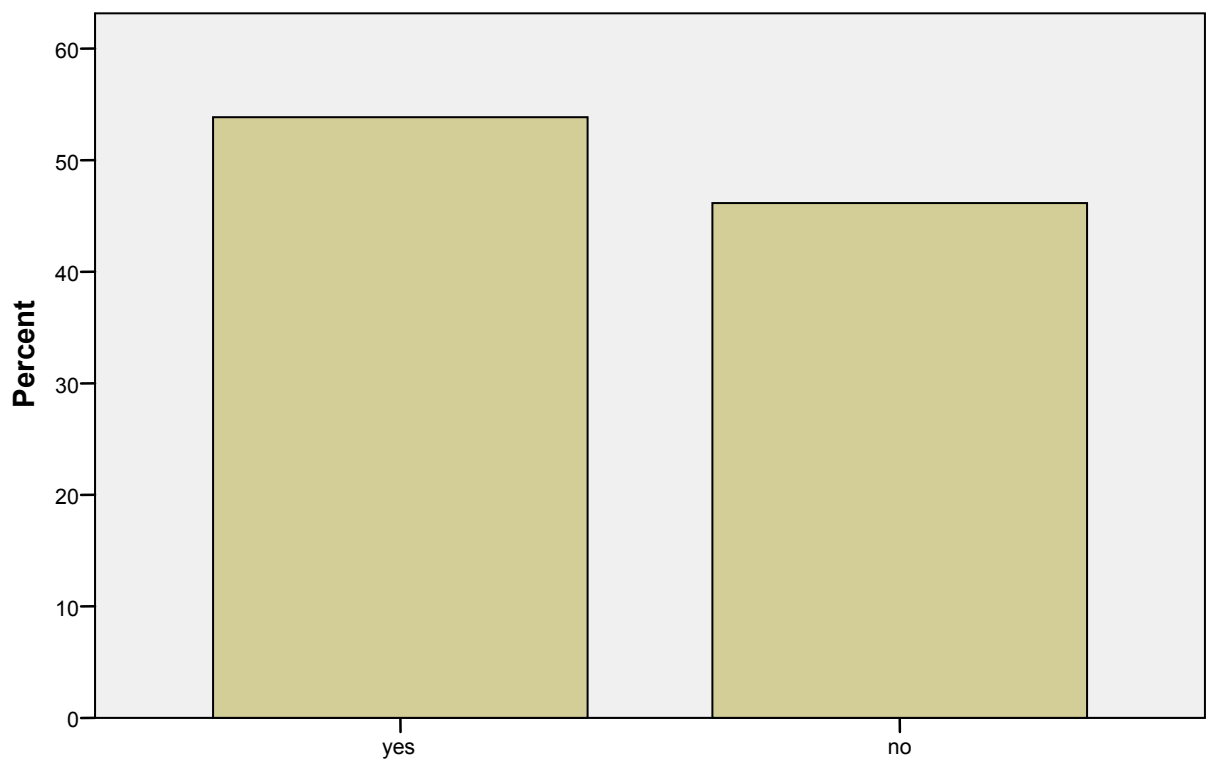
5.5. 2 Were you made to feel that you are important to the municipality?



- **Do you feel that your work is helping you to grow professionally and personally?**

When respondents were asked whether they feel their work is helping them to grow, 45.2% said yes, 38.7% said no and 16.1% is unclassified.

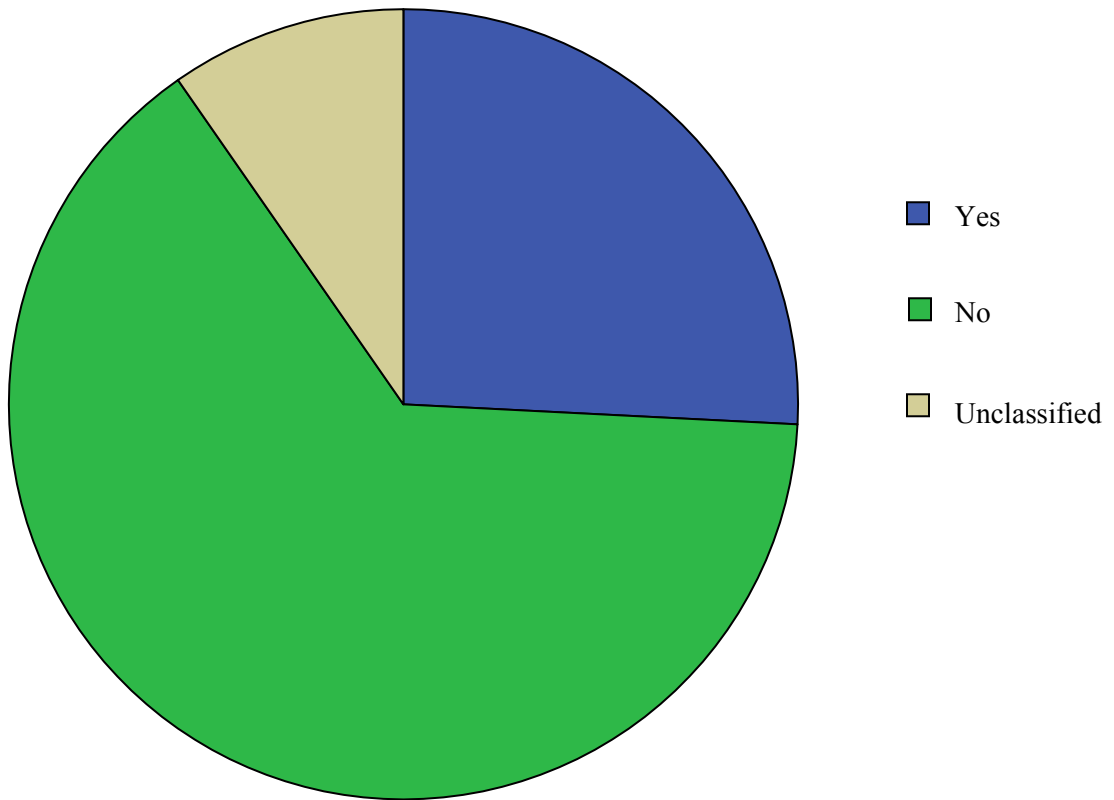
5.5.3 Do you feel that your work is helping you to grow professionally and personally?



- **Is your salary pay satisfactory for your position?**

When respondents were asked if they think their salary pay is satisfactory for their positions, 25.8% replied affirmatively, 64.5% negatively and 9.7% were unclassified.

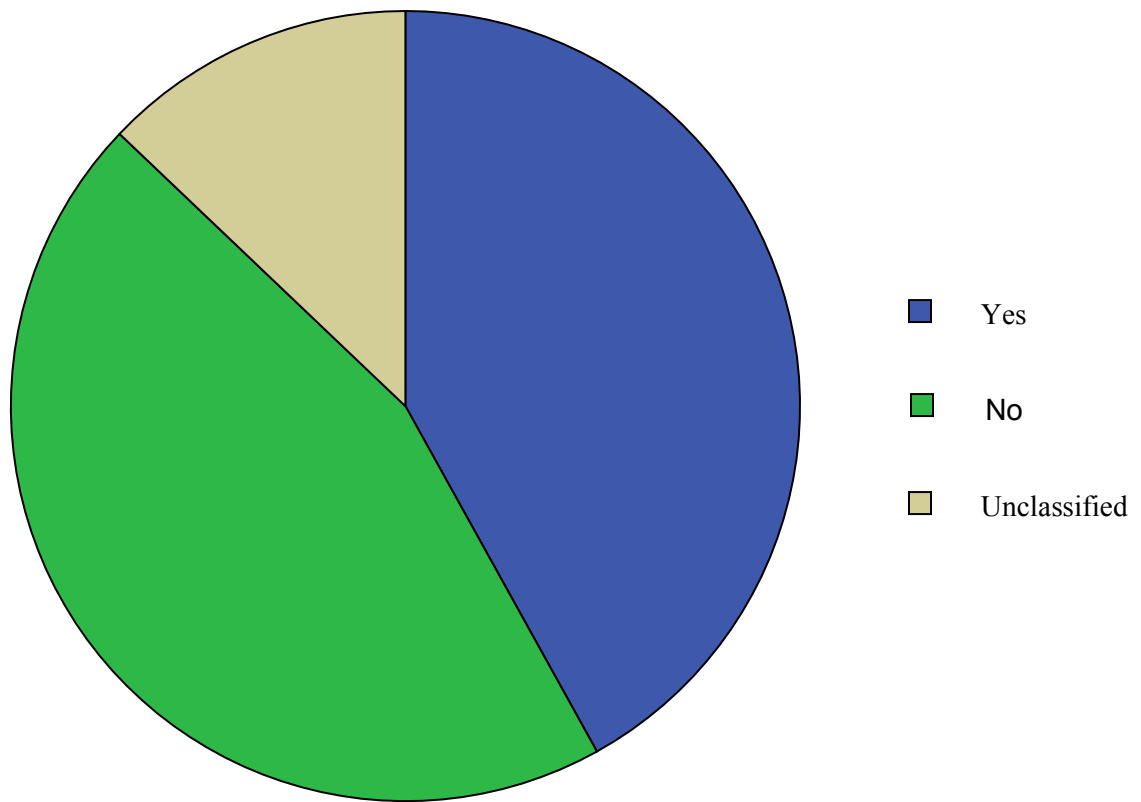
5.5.4 Is your salary pay satisfactory for your position?



- **Does the municipality have a performance management system?**

In response to this question, 41.9% of the respondents replied that the municipality does have a performance management system and 45.2% responded that it did not, with 12.9% being unclassified.

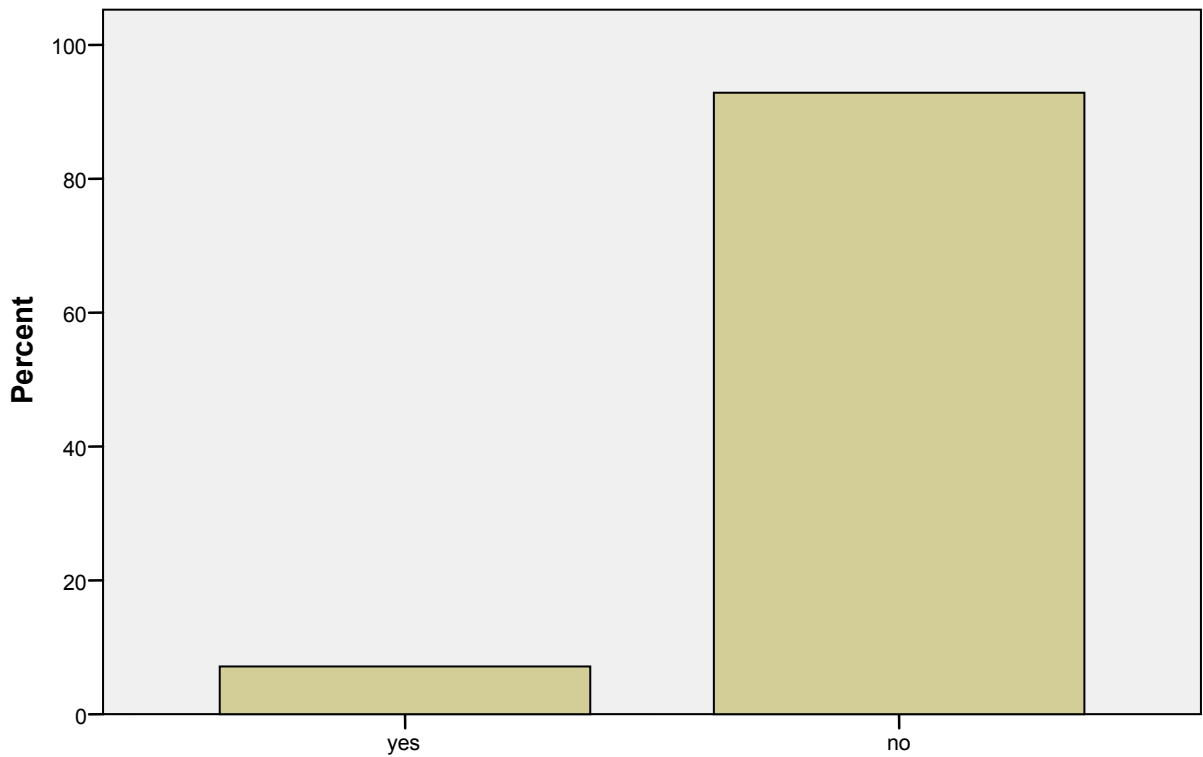
5.5.5 Does the municipality have a performance management system?



- **Does the municipality reward the best performing employees?**

In this regard, 6.5% responded that the municipality does reward the best performing employees, 83.9% replied negatively, whilst 9.7% were unclassified.

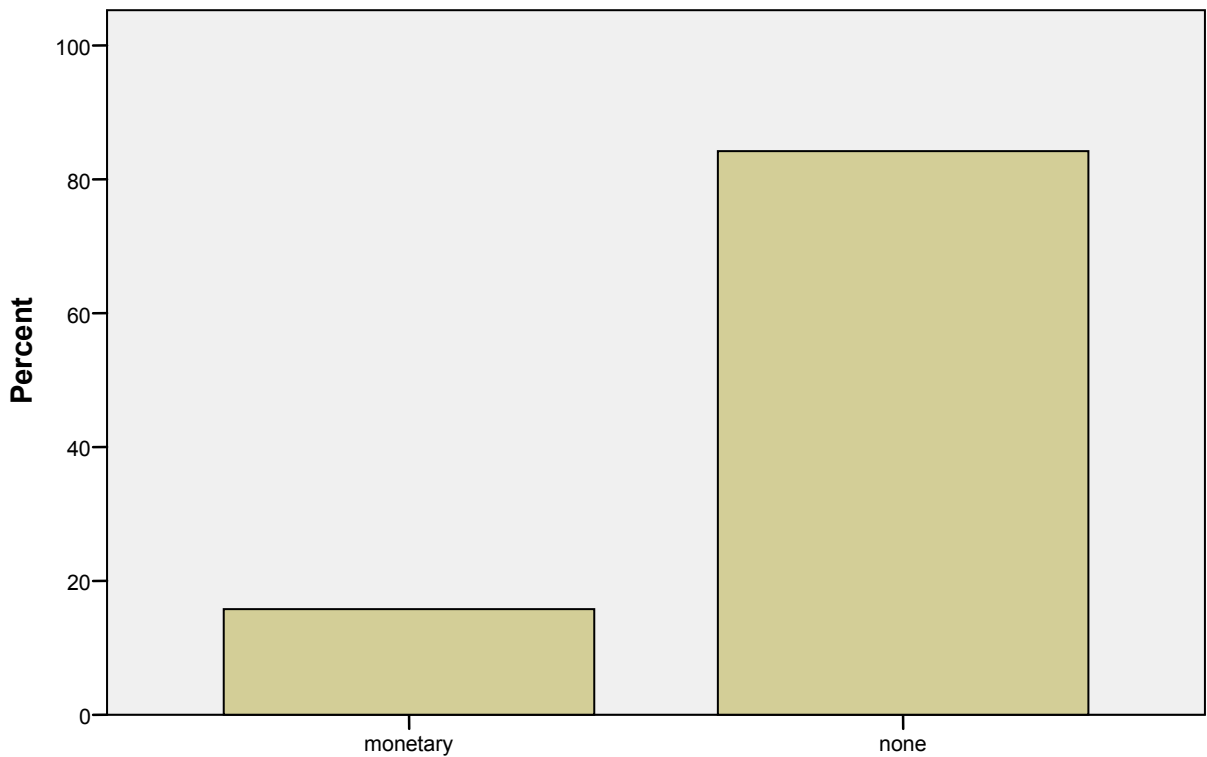
5.5.6 Does the municipality reward best performing employees?



- **What kind of rewards offered in this municipality?**

When the respondents were asked what kind of rewards offered by the municipality, in particular monetary or no rewards at all, 9.7% replied monetary rewards, 51.6% respondents no rewards at all with 38.7% unclassified.

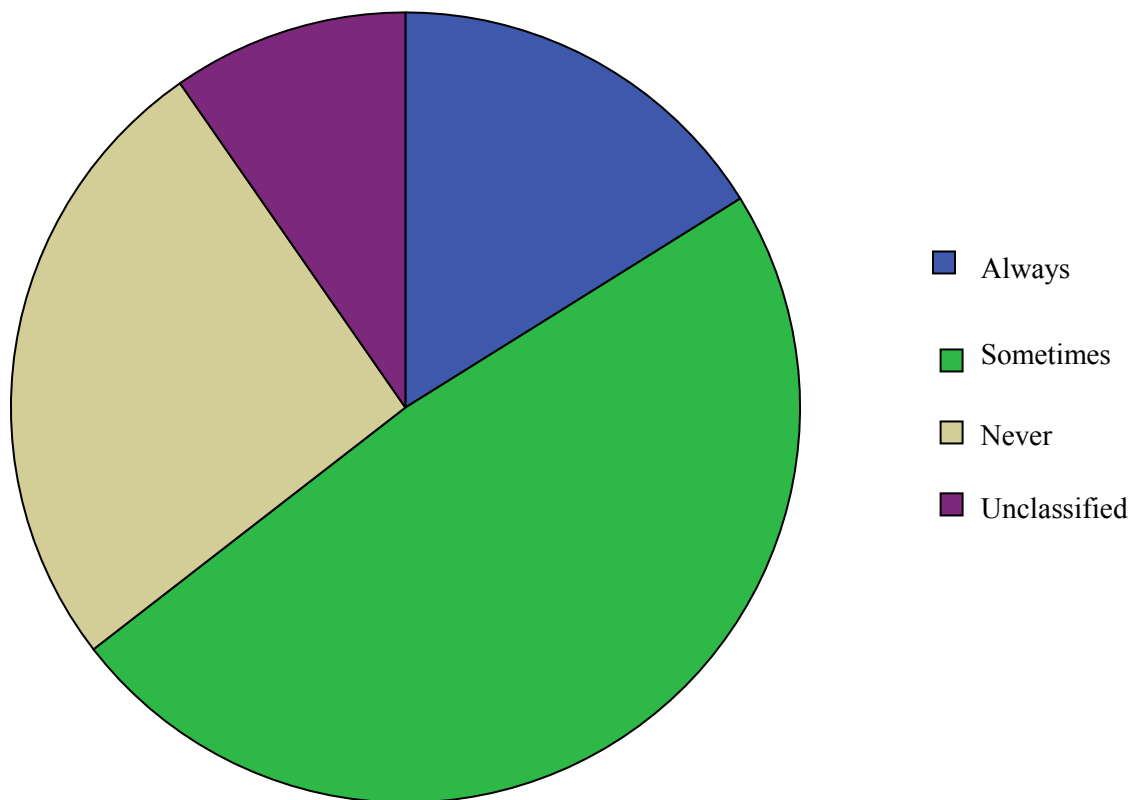
5.5.7 What kind of rewards offered in this municipality?



- **Is your manager fair in his/her dealings?**

In this regard, 16.1% responded affirmatively, 48.4% replied sometimes, 25.8 % felt the management was never fair and 9.7% are unclassified.

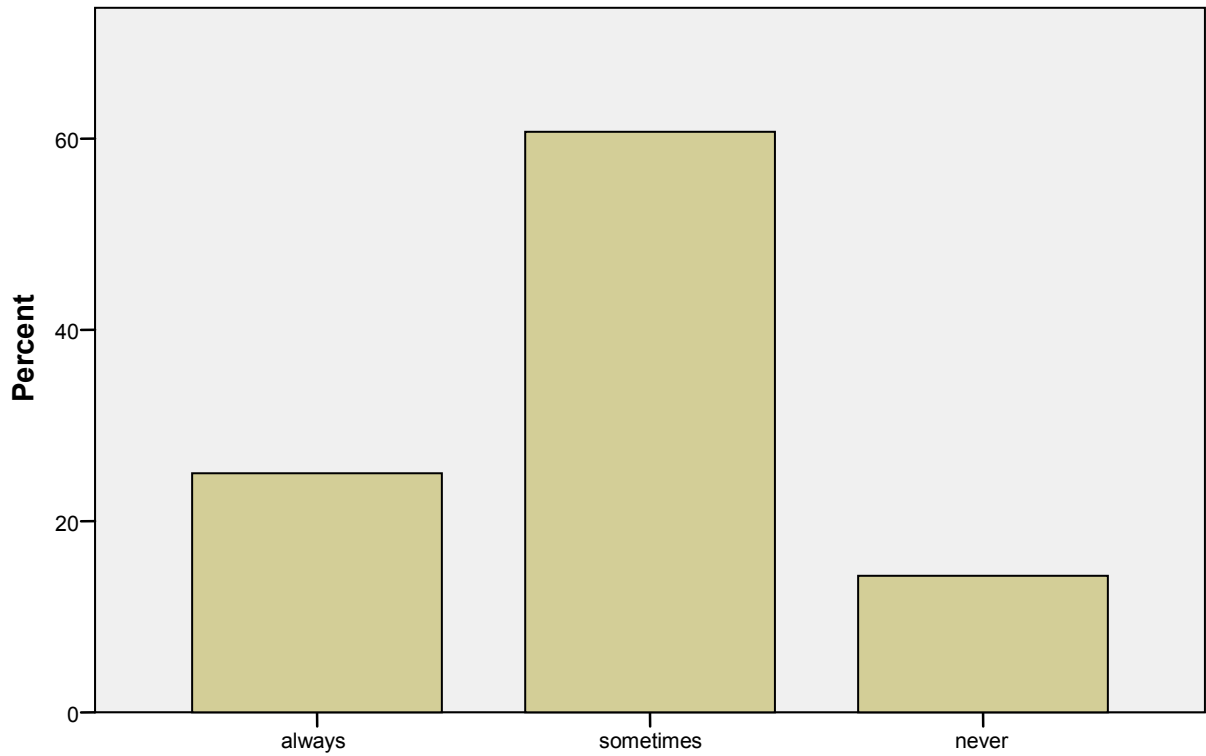
5.5.8 Is your manager fair in his/her dealings?



- **Does your manager listen to suggestions?**

Of the 31 respondents, 22.6% replied that their managers always listen to suggestions, 54.8% replied sometimes, 12.9% answered their managers never do while 9.7% are unclassified.

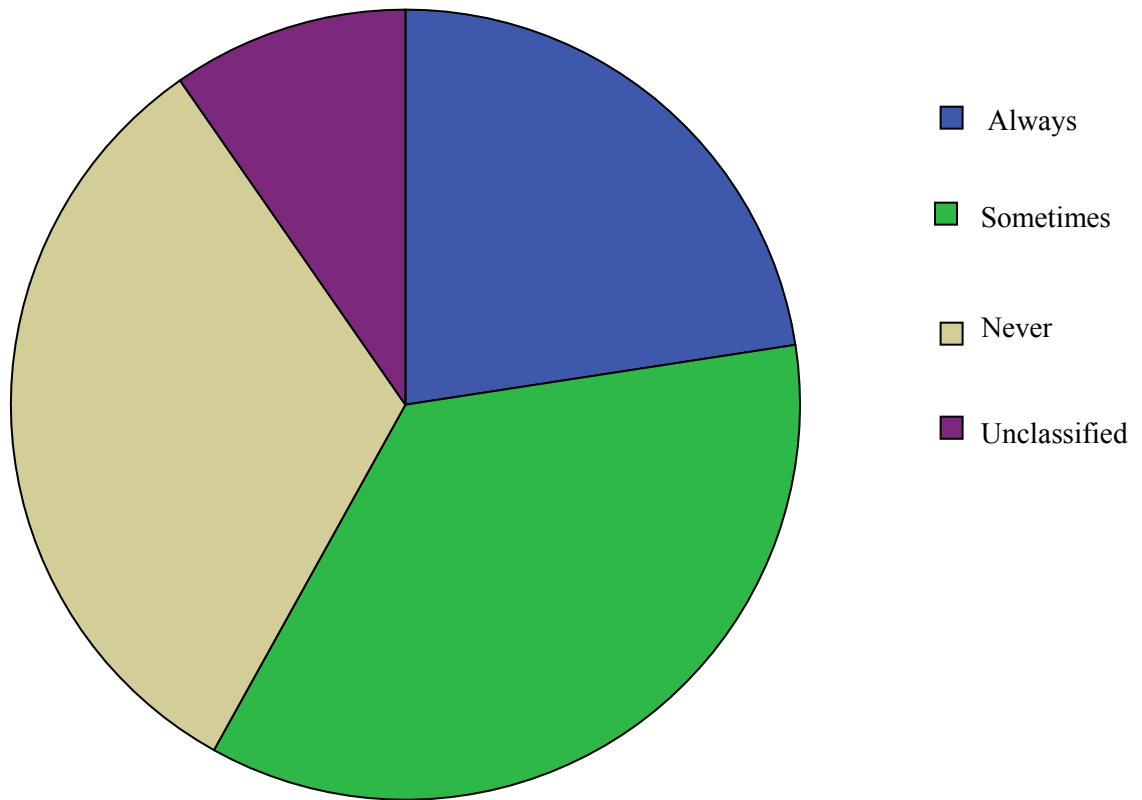
5.5.9 Does your manager listen to suggestions?



- **Does your manager resolve conflict problems openly with respect and in a healthy way?**

In response to this question, 22.6% indicated their managers always do, 39.3% indicated sometimes, and 32.3% responded their managers never do, with 9.7% being unclassified.

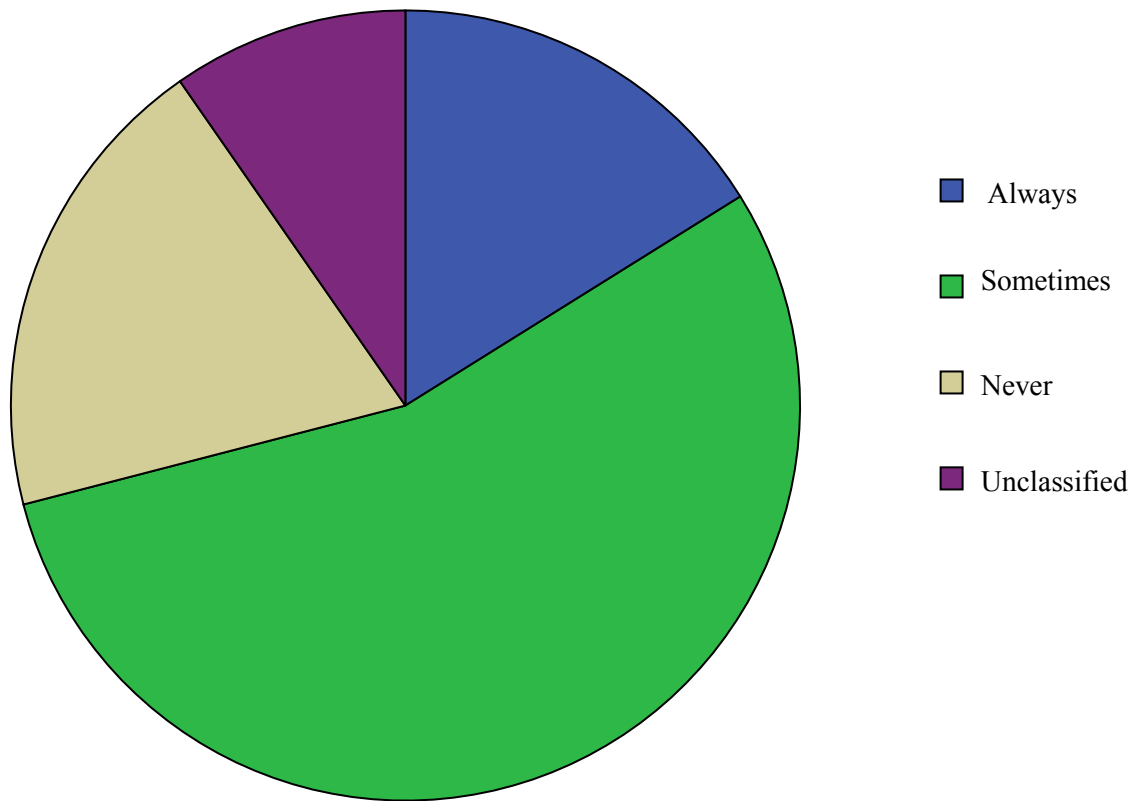
5.5.10 Does your manager resolve conflict problems openly with respect and in a healthy way?



- **Does your manager keep you informed and involved with decision making on issues related to your job?**

Of the 31 respondents, 16.1% replied that their managers always keep them informed and involved with decision making issues related to their jobs, 54.8%, sometimes and 19.4% never, with 9.7% being unclassified.

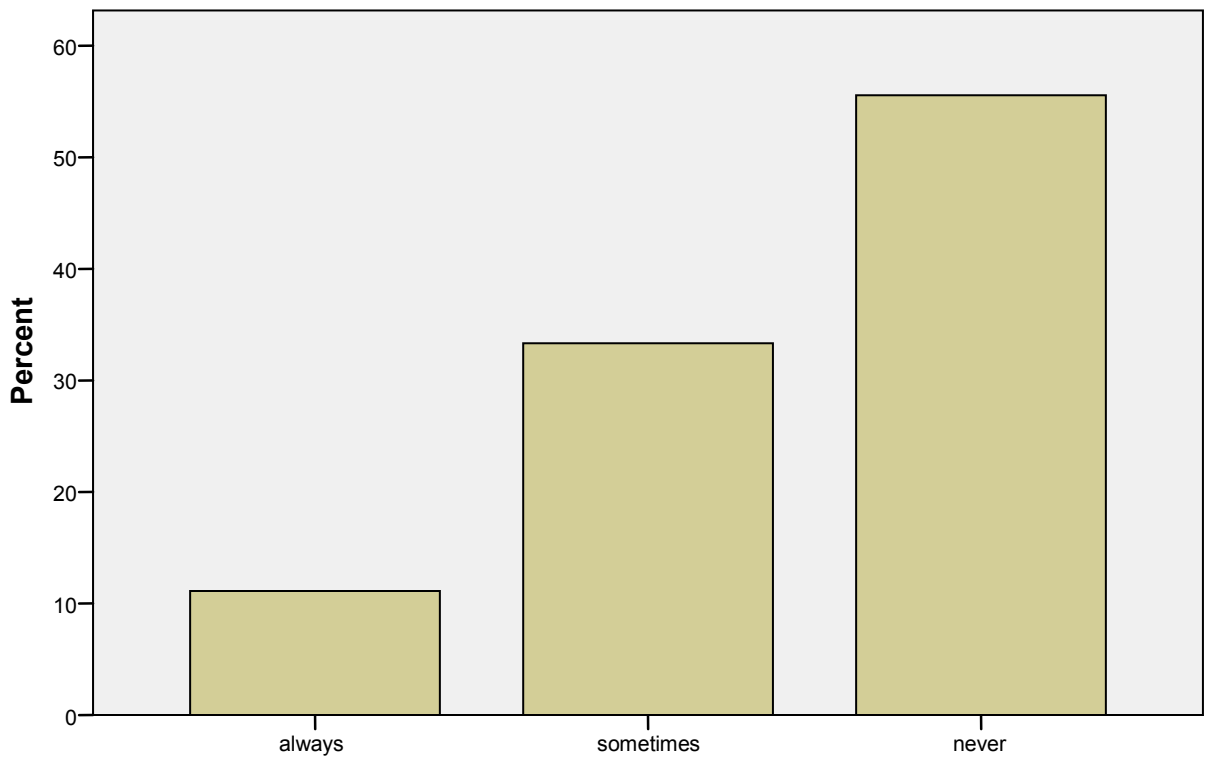
5.5.11 Does your manager keep you informed and involved with decision making on issues related to your job?



- **Does your manager regularly assess your performance?**

In this regard, 9.7% indicated that their managers always conduct regular staff performance assessments, 29.0% sometimes, and 48.4% never with 12.9% unclassified.

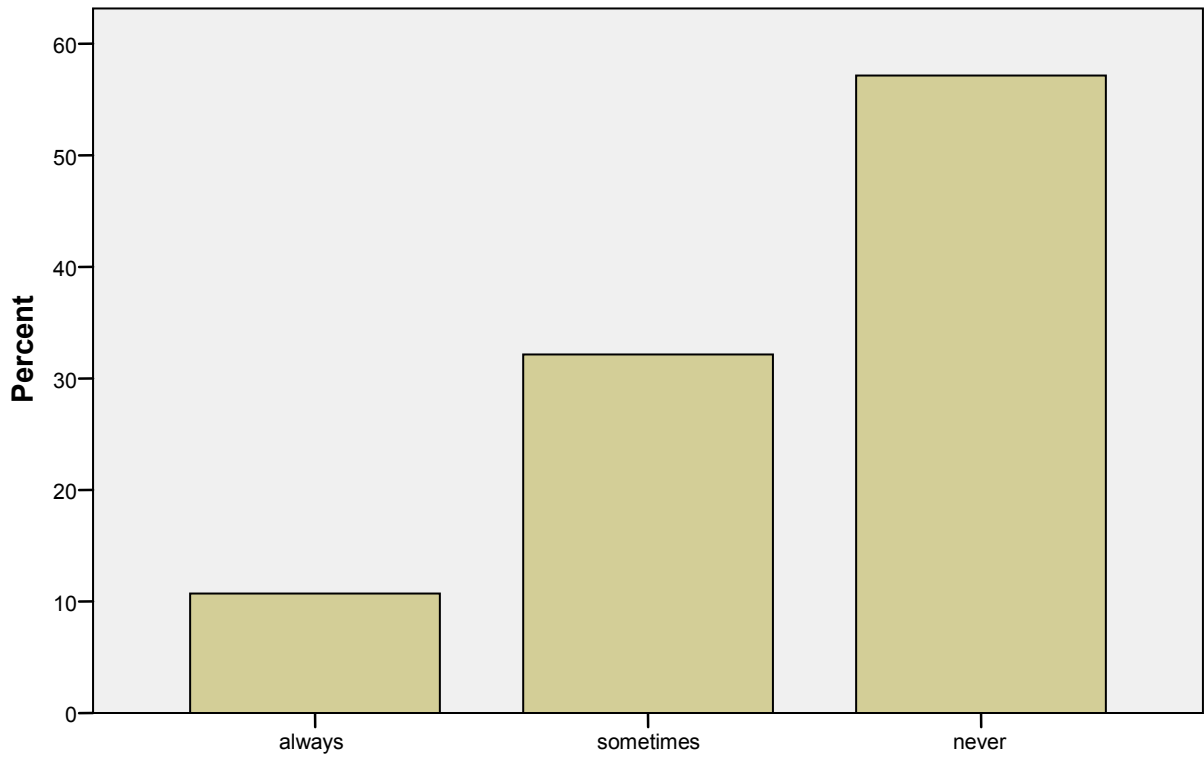
5.5.12 Does your manager regularly assess your performance?



- **Does your manager train and develops you?**

In this regard, 9.7% of the respondents answered that their managers always train and develop them, 29.0% replied sometimes, 51.6% indicated never and 9.7% were unclassified.

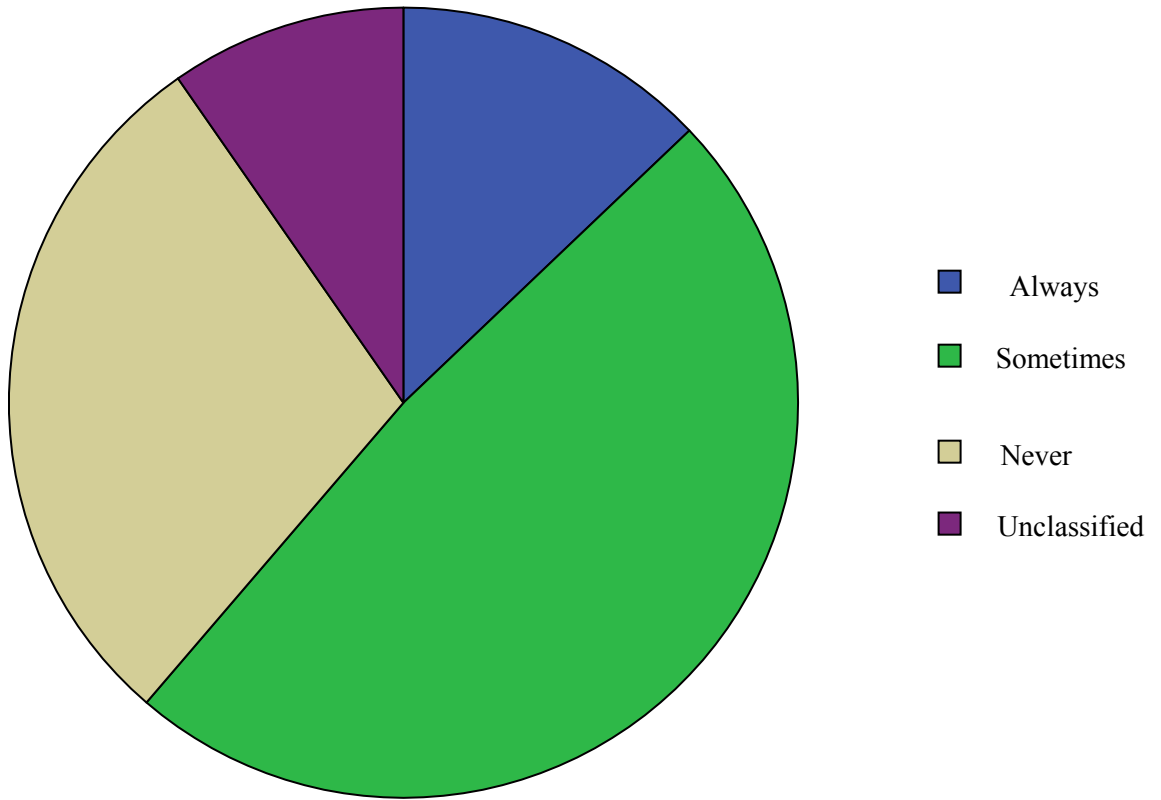
5.5.13 Does your manager train and develops you?



- **Were you treated with respect?**

Of the 31 respondents, 12.9% felt they were always treated with respect, 48.4% replied sometimes and 29.0% indicated they were never treated with respect; 9.7% were unclassified.

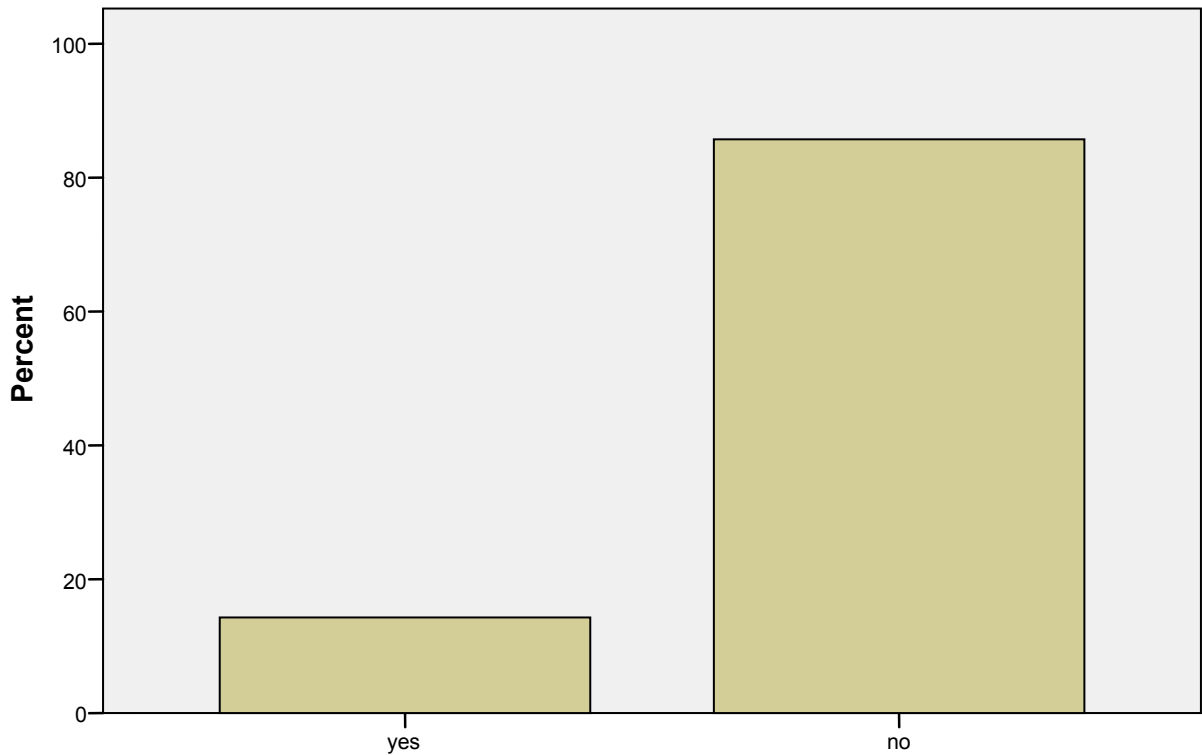
5.5.14 Were you treated with respect?



- **Do you think there is open communication throughout the entire municipality?**

In response to this question, 12.9% indicated that they think there is open communication throughout the entire municipality, 77.4% indicated none and 9.7% are unclassified.

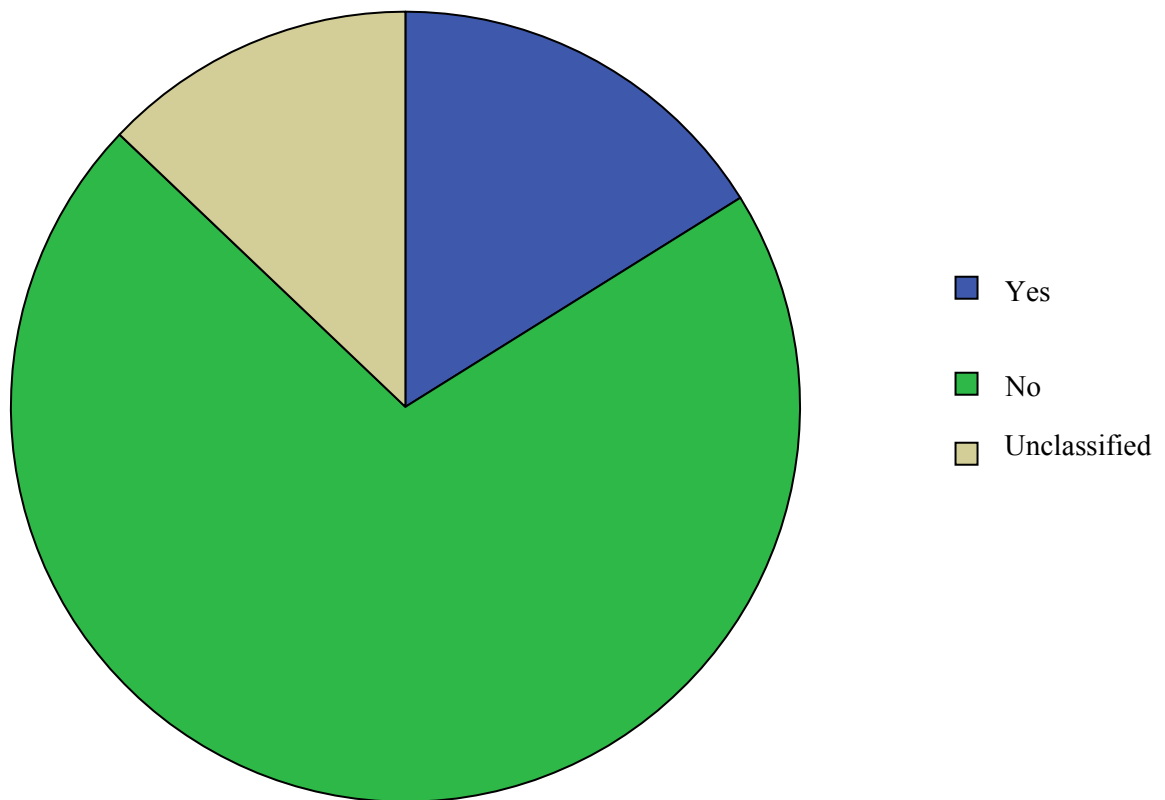
5.5.15 Do you think there is open communication in the entire municipality?



- **Is communication open with managers at different levels?**

16.1% of the respondents said there was open communication with managers at different levels; 71.0% said no; 12.9% were unclassified. This is in line with the results above that showed that 77.4% of the respondents believed that there was no communication in the entire municipality and also 71% who believed that there was no open communication between the managers in the municipality. Also 64.5% above believed that lack of communication and consultation is a turnover factor.

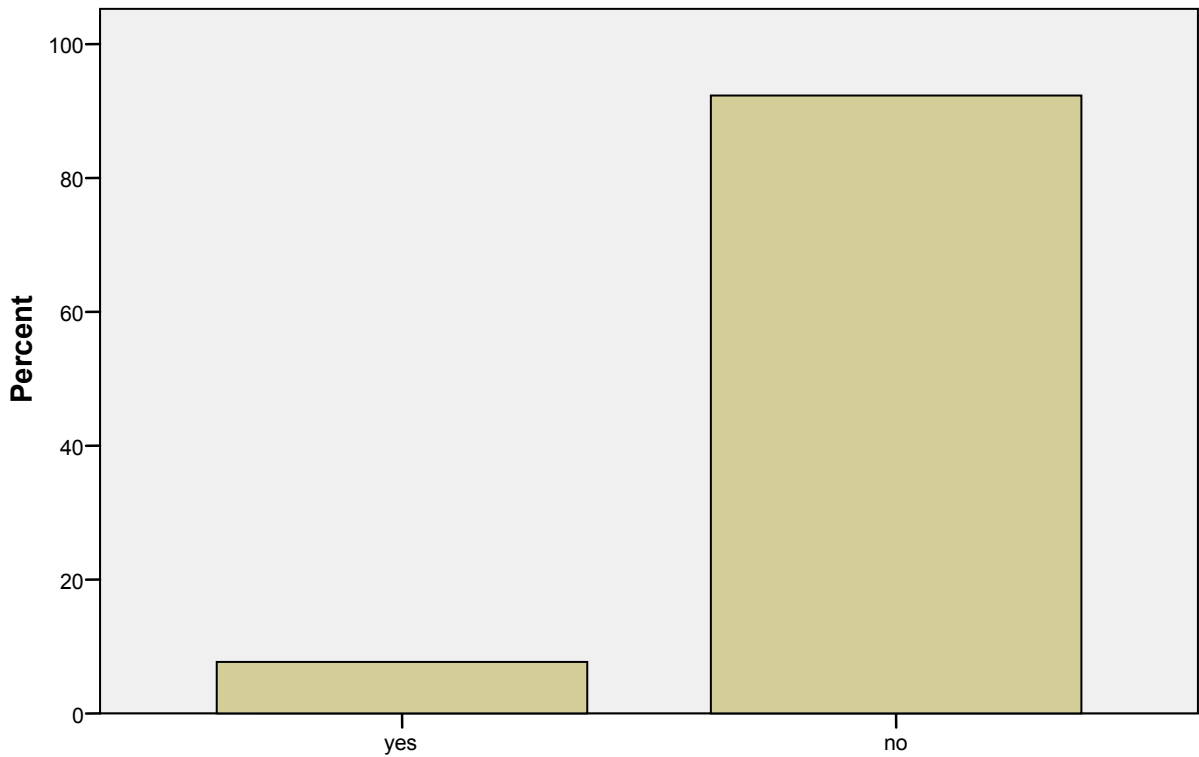
5.5.16 is communication open with managers at different levels?



- **Are employees consulted during the development of municipal policies?**

The last area that was considered was the consultation of employees during the development of municipal policies. Of the 31 respondents 6.5% replied in the affirmative, 77.4% replied negatively and 16.1% were unclassified. This supports the results above that 64.5% of the respondents believed that communication and consultation is a turnover factor. These results are tabled below.

5.5.17 Are employees consulted during the development of municipal policies?



5.6 Concluding Summary

The objective of this chapter was to present the research findings. The researcher considered demographic information, staff turnover; employee retention, and morale and motivation. The results were analysed and interpreted as presented above together with graphs, and charts. In this chapter a number of factors that contributes to the employee turnover are revealed i.e. pay, working conditions, lack of consultation of staff, communication etc, conclusions and recommendations on these will be made in the next chapter.

CHAPTER 6

6. Conclusions and Recommendations

6.1 Introduction

While in the previous chapter the findings of the study were presented, this chapter discusses the findings of this study, and its limitations after which a conclusion is reached and recommendations made. The objective of the study was to determine factors that influence the high turnover of staff at Sisonke District Municipality and to seek to answer the following research questions:

- Is there a relationship between working conditions, remuneration, relationship with management and employee turnover?
- Is there a relationship between skilled employee turnover and the municipality being rural?
- Is there a relationship between ethnicity factors, councillor interference and employee turnover?
- How can the municipality reduce turnover and increase employee commitment?
- What should the municipality do to retain skilled staff?

6.2 Discussions

The discussions will look at research questions and the findings of the study, after which conclusions on the findings of this study will be drawn with reference to comparisons with the findings of previous studies as discussed in the literature review.

6.2.1 Question One

Question one seeks to establish if there is a relationship between working conditions, remuneration, employee relationships with management and employee turnover. In this regard, The questions were structured in such a way that answers would establish whether a relationship exists between turnover and: the relationship with the supervisor; consultation of employees on issues that are critical in their work, communication with employees, treatment of employees by management, induction and on the job training, remuneration; and working conditions.

In looking at various responses below to numerous questions it becomes visible that there is a relationship between working conditions, remuneration and relationship with management.

establishing what would cause the employees to leave the municipality, the findings were that of the 31 respondents, 3.2% cited insufficient pay, political/councillor relationship, 9.7% working conditions, 6.5% the relationship with the supervisor, 3.2% unfair and unequal treatment; 16.1% poor management and leadership, 51.6% better career prospects and 6.4% 'other reasons'.

The results above reflect that better career prospects is the possible cause of turnover whilst insufficient pay, unfair and unequal treatment are less likely to cause the employees to leave the municipality.

In establishing whether there was a relationship between voluntary resignations and the municipality's remuneration, 48.4% of the 31 respondents believed that the municipality's pay and benefits very often comprise the main factor whilst only 3.2% believed that these are not a turnover factor.

To establish the degree of working conditions contributing towards voluntary resignations, the study revealed that 45.2% of the respondents believed that working conditions represent the most important factor whilst 3.2% believed these to be the least important factor.

In drawing conclusions in this regard, it appears that in this study, employees leave the municipality to seek better career prospects, better pay and benefits and better working conditions.

The last area investigated in this section is the degree to which the employee's relationship with his / her immediate manager is perceived to contribute to voluntary resignations. The results showed that 32.3% believed it is very often the main turnover factor whilst 25.8% believed it is not a relevant factor. Only 25.8% believed that relationship with immediate manager is not a relevant factor, with 3.2% unclassified, 71% believed that employee-supervisor relationship is a factor and therefore contributing to voluntary resignations. This is also supported by studies conducted by Lephalala (2006) and Mazwai (2006).

In this study the conclusion can be drawn that pay and benefits, working conditions, better career prospects, rural nature of the municipality and immediate manager relationships were perceived as being the main turnover factors. When one applies Maslow's need hierarchy by classifying these organisational factors according to needs levels, the pay factor falls under physiological

needs with company benefits and safe working conditions falling under the safety needs, while friendly supervision and professional association can be classified as social needs and advancement in the organization, as self actualisation needs. The factors that contributes to high employee turnover at Sisonke District Municipality can also be grouped into Herzberg's 'hygiene and motivators' or extrinsic and intrinsic factors respectively where safe working conditions and pay fall under extrinsic or hygienic factors and a job being challenging can be termed an intrinsic factor or motivator. Mullins (2005:477) states that where there is little pleasure in the work itself or the job offers little opportunity for career advancement, personal challenge or growth, many people may appear to be motivated primarily, if not exclusively, by money.

The literature reviewed in Chapter 4 concurs with some of the findings of this study as presented above. For example, Luddy (2005:2) quotes Barrows and Watson (n.d.) who posit that low pay, limited flexibility and limited opportunities for promotion are characteristics of the public sector which prevent the most qualified workers remaining in government agencies and climbing the corporate ladder.

The study by Lephalala (2006:109) found that supervision, salary, organisational and policy administration, working conditions and interpersonal relations influenced nursing turnover. The study by Lephalala concurs with certain findings in Manona's study (2000) which reported that various factors that influence turnover included supervisor relationship, insufficient compensation, job dissatisfaction, need for more flexible hours, increased responsibility, empowered decision making, exhausted learning opportunities, lack of recognition, no professional and personal growth, poor support services, incompetent staff, poor management skills and lack of guidance and direction by leadership.

The study by Mabengano (2003:v) revealed the employee turnover results from low salaries, bad working conditions, lack of supervision, lack of managerial support, lack of promotional opportunities, lack of training opportunities, lack of job selection and recruitment procedures, lack of motivation and economic conditions.

The above is also supported by the National Agricultural Marketing Council (NAMC) Human Resources Plan Report (2007: n.p. 5.4) which found that the main reasons for employee turnover were:

- Career progression or development opportunities (even though people receive sufficient training);

- Lack of recognition; and
- Poor competitive remuneration.

Mazwai (2006) points out that there is unequivocal support for the relationship between job satisfaction, intent to stay and turnover. The same study revealed that working conditions, supervisor's skills and attitude or the relationship with the supervisor, availability of jobs in the market and personnel influence turnover.

According to Mathebula (2001) it is of critical importance that the relationship between employer and employee be well managed. This study established that work factors, biodemographic factors, organisational factors as well as developmental levels of black managers exert a major impact on employee turnover.

Hussain (2001) found, in his study, that remuneration, performance management, training management practices and skills of supervisors were the factors contributing to employee turnover. His study supports the findings of the previous studies by Willis (1983).

6.2.2 Relationship between turnover and the municipality being rural

This question seeks to establish if there is a relationship between employee turnover and the rural nature of the municipality. Of the 31 respondents, 16.1% believed that the municipality's being rural is very often the main factor, 12.9% occasionally, and 16.1% a contributing factor with 54.8% believing that it is not a factor. The 46% of the respondents believing that the rural nature of the municipality is a factor and is contributing to the employee turnover is significant and therefore it can be concluded that the rural nature of the municipality is a factor contributing to turnover. Therefore this study concurs with the study conducted by Masoebe (2003) where it was found that the schools being rural or urban did not exert a major influence on teacher turnover. In this study of employee turnover at Sisonke District Municipality the rural nature of the municipality is not a major but a significant contributor to employee turnover.

6.2.3 Relationship between ethnicity discrimination, councillor relationship and turnover

Also, considering the type of the organisational structure of municipalities, which is different from other corporations and other spheres of government, the employee-councillor relationship was investigated. Of the 31 respondents, 9.7% believed that voluntary resignations due to employee relationships with councillors are very often the main, 9.7% believed is often the factor, 19.4% believed is the contributing factor whilst 54.8% believed that these are not a factor. The 42% of respondents believed that councillor relationship is a factor is significant and therefore it can be concluded that this is a significant turnover factor. Also, of the 31 respondents 74.3% believed that trust, concern and support from councillors is the turnover factor.

Ethnic discrimination as a factor that contributes to employee turnover was also investigated. Of the 31 respondents, 6.5% believed that it is often the main factor with 71.0% believing that it is not. Therefore, a conclusion can be drawn that such discrimination does not contribute to employee turnover in the municipality.

6.2.4 Retention

22.6% of the 31 respondents said the municipality does utilise the recruitment and selection processes whilst 64.4% said the municipality does not utilise recruitment and selection processes particularly to increase employee retention. Therefore, it can be concluded that the municipality does not tend to follow the recruitment and selection processes, which consequently influences employee turnover and does not contribute towards increasing employee retention. This concurs with the study by Mobengano (2003) which found that employee turnover results from lack of job selection and recruitment procedures.

With regards to offering equal opportunities to all employees, 6.5% of the respondents indicated that the municipality does offer equal opportunities while 87.1% said it did not. Whilst the findings that the majority of the respondents (71.0%) believed that ethnic discrimination is not a turnover factor, the 87.1% finding that the municipality does not provide equal opportunities to all employees indicates that some form of inequality exist. When considering this apparent discrepancy one can assume that some form of inequality exists in the municipality, which therefore suggests that further research is recommended in order to identify the particular inequality in the municipality.

Salaries paid by the municipality were also investigated as a factor that could increase employee retention. Of the respondents, 12.9% believed that the salaries paid by the municipality do increase employee retention while 80.6% believed that these did not, with 6.5% being unclassified.

This is consistent with the finding with regards to remuneration where 48.4% of the respondents believed that the municipality's pay and benefits is very often the main turnover factor whilst only 3.2% believed that it is not a turnover factor.

The majority of respondents indicated that the municipality does not operate an induction and job orientation programme (87.1%) nor does it provide on the job training (71%). These two areas are critical in ensuring that new employees become familiar with municipal operations, their smooth adjustment, the avoidance of unnecessary job interruptions and rapid turnover owing to adjustment difficulties and the lack of development of employees. The absence of such programmes hinders the municipality's quest to increase employee retention.

Furthermore, the majority of respondents (87.1%) said the municipality does not have skilled and competent management. This is very critical as leadership and management competence are key for every organisation. Given the responsibilities and constitutional functions to be performed by the municipality including the service delivery challenges country-wide it is important the municipality prioritise this area. This finding concurs with findings in studies by Mazwai (2006), Hussain (2001) and Mobengano that supervisor skills, lack of supervision and management support are the employee turnover factors.

The last area investigated with regards to employee retention was the management skills required which could assist in retaining talented members. Of the 31 respondents, 41.9% believed that managers possessed such skills to a moderate extent while 45.2% believed that managers did not possess skills required to retain talented members at all.

The responses to both the above mentioned factors tend to suggest the management's contribution to voluntary resignations.

Loquercio (2006:23) state that investing in employee retention is more cost effective than continuously recruiting new employees and posits that some of the reasons behind turnover are

the lack of management support at field level and the poor involvement of staff in decision making.

The aforementioned results of the present survey concur with the reviewed literature which reports that personnel management is the key to improving service delivery in all spheres of government, where personnel policy reforms constitute an important element of the transformation process (Local Government Budgets and Expenditure Review 2001/02-2007/08:51;58). The document further states that inadequate senior management capacity and a lack of appropriate skills are problems that manifest themselves in poor service delivery and high turnover of personnel as municipalities compete for scarce skills.

As regards reducing turnover and ensuring retention the Capio Acute Care hospitals, in the study conducted Lephhalala (2006:6), undertook the following measures over a period of five years which resulted in an improvement of retention and a reduction of employee turnover:

- Improved communication;
- More opportunities for career development and training;
- Better procedures for recruitment;
- Improved employment terms and conditions locally and nationally;
- Paying attention to issues raised during staff surveys; and
- Improved management training.

The Local Government Budget and Expenditure Review (2001/2-2007/8:52) recommends that municipalities need to continuously review their recruitment and selection strategies and provide growth opportunities for their personnel and interns. It becomes important for the Sisonke District Municipality to take the above recommendation seriously given that the results of this study revealed that career prospects are a contributing factor to turnover in the municipality.

6.2.5 Motivation and Morale

A number of questions were asked in order to identify morale and motivation matters that influenced turnover. The questions included employee growth, recognition, rewards, performance assessment, staff involvement in decision making, training and communication.

- 45.2% believed their work is helping them to grow professionally and personally, compared to the 38.7% who believed their work was not helping them to grow.
- 25.8% believed they were made to feel that they are important compared to 67.7% who believed they were not. This can be considered as being consistent with the findings that the majority (87.1%) believed that management is not skilled and competent and also that management does not possess the skills required to retain talent. The conclusion can be reached that management is a factor contributing to turnover.
- Since the majority (64.5%) believed their salaries were not satisfactory for their positions, a conclusion can be drawn that the salaries paid by the municipality represent a contributing factor to the employee turnover. This is consistent with the findings above as regards the relationship between voluntary turnover and the municipality's remuneration, where 48.4% believed that the municipality's remuneration is the main employee turnover factor. This is also supported by the findings on retention where 80.6% believed that the salaries paid by the municipality do not increase retention.
- The majority (83.9%) indicated that the municipality does not reward the best performing employees, which suggests that this plays a negative role in employee motivation, leading to low morale and thereby influencing employee turnover.
- Since the majority stated that their managers sometimes (54.8%) or always (16.1%) keep them informed and involved in issues relating to their job and only 19.4% said their managers never do, a conclusion can be drawn that, generally, there is employee involvement in decision making. This factor is thus a neutral one regarding its possible influence on turnover.
- 9.7% reported that their managers regularly assess their performance compared to the 48.4% who indicated that their managers never assess their performance; therefore, a lack of performance assessment also contributes to turnover which can also be linked to the question which revealed that the municipality does not have skilled and competent management. The literature reviewed in this study shows that employees regard feedback with respect to their performance as being important. Since these results reveal that

performance assessment is not undertaken in the municipality, this leads to a negative effect on employee motivation and morale and therefore influences employee turnover.

- Only 9.7% said their managers always train and develop them compared to 51.6% who said their managers never train and develop them. This concurs with the findings on retention which revealed that the majority of the 31 respondents (71.0%) felt the municipality does not provide on the job training. A lack of training and development in the municipality influences employee turnover and can be linked to the question which revealed that the municipality does not have skilled and competent management.
- The majority of respondents (77.4%) indicated that there is no open communication in the entire municipality, which also influences employee turnover.
- While 16.1% believed that there is open communication with managers at different levels in the municipality, 71.0% said there is none. Therefore, the conclusion can be reached that this is also a factor which influences employee turnover.
- Since 77.4% of the respondents indicated that the employees are not consulted, this is also a factor that contributes to employee turnover.

With regard to morale and motivation it can be concluded that a lack of recognition, low pay, no performance rewards, lack of consultation during policy development, lack of performance assessments, and no training and development by managers, contribute to employee turnover in the municipality.

Fheili (2007:69) reported that individuals who had changed employers during the first two or five years attributed their dissatisfaction and the cause of departure to more than merely one reason, for example, in a non-scientific survey, in which a significant majority of the sample indicated their reason as being the lack of an interesting and challenging work environment (causing them to feel devalued or unrecognised). Other reasons identified were:

- Absence of open, two-way communication;
- Scarcity of opportunities for professional growth and development; and
- Perception of an unequitable and non-competitive compensation and benefits scheme.

In the present study, conclusions can be reached that firstly, the councillor-employee relationship, the rural nature of the municipality and ethnic discrimination are not perceived as factors that

influence employee turnover at Sisonke District Municipality. On the other hand, better career prospects, pay and benefits and working conditions are perceived as the major factors that influence employee turnover in the municipality.

6.2.6 General Recommendations

First of all it is important for the municipality to look at areas where the staff responses are indicating poor performance, develop an action plan on how to address these issues in a more sustainable manner and institutionalise the action to form part of the management orientation. Also the municipality has to look at the areas where this research revealed that they have performed or implemented well and strengthen these areas by ensuring that management embrace these areas.

This study's results show that 64.5% of the respondents feel positive; this indicates that the municipality has opportunities to implement a turn around strategy in ensuring a positive workforce. Positive workforce is very key in ensuring and improving organisational productivity. To reduce employee turnover the municipality should invest a lot in ensuring that there is improved communication in the entire municipality and amongst management versus the results that reflects 71.0% of the respondents indicating lack of this, this also includes consultation of staff during policy development which is reflected at lacking this by 77.4% of the respondents. The municipality needs to ensure use or develop a performance management and development system that can be used to assess performance of individual employees at all levels and be used as a tool to ensure development plans thereof which can also include on the job training. In this study 48.4% of the respondents reported that they were never assessed by their supervisors. The same can be used to develop empowerment, capacity building and coaching of management. The municipality should develop a monitoring and evaluation system especially to ensure compliance to municipal policies with specific focus to use of recruitment and selection processes. Another issue of critical importance is the fact that 64.5% of the respondents reported that their salaries are not satisfactory for their positions. The Public Service has in the past few years developed policies that have shown improved changes for the public service salaries in an effort to attract and retain more employees with specific improved salaries of those skills regarded as scarce and or critical in the government service. The municipality should also seek to adopt this and make it more relevant to the Local Government sphere in order to improve its compensation of employees. Though staff turnover can not be controlled 100% there is a need for the municipality to ensure staff retention, in doing so the municipality should ensure development, implementation

and monitoring thereof of its retention policies. One of the issues that can be done is that of its performance management and development system the best performers are rewarded and this can be a way of ensuring retention of staff.

6.3 Limitations

Limitations affecting any generalisation of this study are:

- No literature exists on the Sisonke District Municipality employee turnover; therefore it was not possible to compare these results with existing results;
- This study focused only on the said Municipality; therefore it is not possible to apply the findings to all local government institutions; and
- Only a certain level of employees were investigated, i.e. those with post matric qualifications (prior learning by experience was not considered), and therefore a focus on all Sisonke District Municipality staff might not depict the same results revealed in this study.

The findings of this study should take into account these limitations; however it should be understood that the findings are a true reflection of the study conducted and the interpretation of the results in line with the focus and the respondents targeted for this study.

6.4. Recommendations to the Municipality

According to Mathis and Jackson (2003:79), controllable turnover must be addressed and organizations are better able to retain employees if they deal with the employees' concerns that are leading to turnover. They further aver that even though some turnover is inevitable, many employers today recognize that a reduction of turnover is crucial.

It is therefore recommended that Sisonke District Municipality prioritise employee retention as a strategic priority. Much attention should be afforded to the municipality's remuneration, working conditions, investment in human capital with prioritisation of management training and equipping for effective management, creation of an enabling working environment by paying particular attention to aspects of motivation and morale. The results reveal that much needs to be improved in the following areas:

- Training and capacitation of managers and supervisors to be able to ensure that recruitment policies are appropriately followed and that they possess appropriate skills to ensure staff retention;
- Awareness creation, training and development of managers and supervisors regarding human and organizational development as a means to improve working conditions and ensure better skilled leadership. This could also include equipping management to be able to assist the staff to unleash their potential, thereby keeping their work stimulating;
- Introduce compulsory performance assessments by adapting the Department of Public Service Administration Performance Management and Development System that is currently being implemented by all National and Provincial Government Departments and implementation thereof is regulated. This ensures continuous quarterly and semi-annual feedback between the supervisor and the employee, which then includes employee training and development, with annual performance bonuses being awarded to the best performing employees;
- Senior management's performance agreements to include a clause or key performance area on people management and empowerment;
- Recognition and rewards should be introduced for those managers that pay particular attention to employee retention issues or seek to improve working conditions and employee retention.
- The Municipality should consider reviewing its salary structure to increase employee retention;
- Ensure and improve open communication in the entire municipality;
- Ensure involvement of staff in policy development and consultation in matters that affect the well being of staff, and
- Implementation and monitoring of code of conduct for councillors to reduce councillor-employee relationship as a turnover factor

6.5 Recommendations for Future Research

It is recommended that future research further investigate the particular types of inequalities that exist in the municipality as reflected in these results. It is further recommended that the survey should take the form of interviews as a data collection method, instead of a questionnaire as employed in this study. The target population of the future study should comprise the employees

who have already left the municipality, because, having already left the municipality, they would have specific reasons for having done so compared to those who are still in its employ.

6.6 Conclusion

Municipalities are service institutions intended to serve the entire nation with services that are mostly only provided by government, being local government in this case, and therefore citizens cannot choose a service provider. Consequently, employee turnover becomes important in order to manage since retention is critical in order to ensure continuity and delivery of quality, effective and efficient services on time. The Eastern Cape Attraction and Retention Strategy (2006:9-10), states that employers need to manage employee turnover to ensure as little disruption in the workplace as possible and therefore staff retention needs to be viewed as a strategic human resource intervention in this regard. The present study reveals that the factors that influence turnover are better career prospects, working conditions, pay and benefits. The municipality needs to invest in ensuring that the management is sufficiently capable and appropriately skilled in order to create an enabling environment for the employees, which will ensure that the municipality is able to strategically prioritise employee retention and deal appropriately with these three areas, also being identified as factors influencing turnover.

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