

**Assessing the impact of low employee morale on labour turnover at the KwaZulu-  
Natal Liquor Authority**

**By**

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## DECLARATION

I, Nokubonga Memory Magubane, do hereby declare that this dissertation is the result of my investigation and research and that this has not been submitted in part or full for any degree or for any other degree to any other University.

Date: December 2023

Signature: \_\_\_\_\_

A solid black rectangular box redacting the signature of the author.

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## **ABSTRACT**

The KwaZulu-Natal Liquor Authority (KZNLA) has experienced unprecedented labour turnover, due to the perceived poor employee morale, ultimately impacting on the entity's organisational performance (KZNLA, Report, 2019). The purpose of the study was to assess the impact of low employee morale on labour turnover at the KwaZulu-Natal Liquor in order to improve the morale as well as organisational performance. The study employed the mixed method approach which include the quantitative and qualitative method gathering data through questionnaire and interviews. The target population of the study comprised all the employees of KZNLA which include lower-level employees, middle management, senior management totalling 167. The quantitative study used all the 167 employees as the sample size while 14 employees which include 8 managers, and 6 employees took part in the qualitative study. Quantitative data was analysed using SmartPLS 4 statistical tool. The SmartPLS 4 statistical software is a software with graphical user interface for variance-based structural equation modelling (SEM) using the partial least squares (PLS) path modelling method. Qualitative data was analysed using manual thematic analyses. The study findings revealed KZNLA employees present with low morale levelled responsible for the labour turnover as well as poor organisational performance. The study also revealed that KZNLA experience an increasing spate of employee dismissals, work overload, lack of recognition, low salaries, lack of benefits, unclear organizational structure, poor communication, and lack of consultation. Drawing from the findings the study recommended that KZNLA needs to appoint an organisational development specialist (OD), whose focus would be to professionally management the rationalisation process currently underway with specific mandate to improve employee morale by creating a positive motivational environment. Considering that KZN has several similar state entities which could be experiencing similar challenges, the study recommends that a similar study be conducted in order to have a balanced view which could serve other sate entities.

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## **LIST OF ACRONYMS**

Average variance extracted	AVE
Composite reliability	CR
Confirmatory factor analysis	CFA
Constant reliability	CR
Employee morale	EMRM
Key performance indicators	KPIs
KwaZulu-Natal Liquor Authority	KZNLA
Standard deviation	STDE
Standardized Root Mean Square Root Residual	SRMR
Structural equation model	SEM

## **CHAPTER 1: INTRODUCTION**

### **1.1 Introduction**

The past ten years has seen the KwaZulu-Natal Liquor Authority (KZNLA), experiencing unprecedented labour turnover, due to the perceived poor employee morale, ultimately impacting on the entity's organisational performance (KZNLA, Report, 2019). Human resource is a key resource in any organisation because of its role of providing an effective environment that would improve employee morale. The KZNLA, is a diverse organisation that employs employees from diverse background that include race, language, educational qualifications, cultural orientation, and nationality. From a human resource perspective, managing such a diverse workforce, towards ensuring high employee morale has presented as challenge KZNLA. The roles of the human resources function include recruitment, performance appraisal, training and ensuring a motivational towards staff retention. The motivation function helps in boosting the employees' morale within the organisation, and absence of motivation often leads to labour turnover which in turn impact of organisational performance of the organisation. Hunter and Jill (2016) define labour turnover as the rate at which employees leave the organisation in a given year.

Following the increasing rate of labour turnover at KZNLA over the years from 2012 to 2022 (KZNLA Report, 2022), the study assesses the impact of low employee morale on labour turnover and how the low morale further impacts on performance with the overall focus to reduce the turnover.

This chapter therefore presents the background of the study, the problem statement, aims of the study, objectives, questions, and significance of the study. In addition, the chapter presents the brief research design and methodology, the organisation of the study and the chapter conclusion.

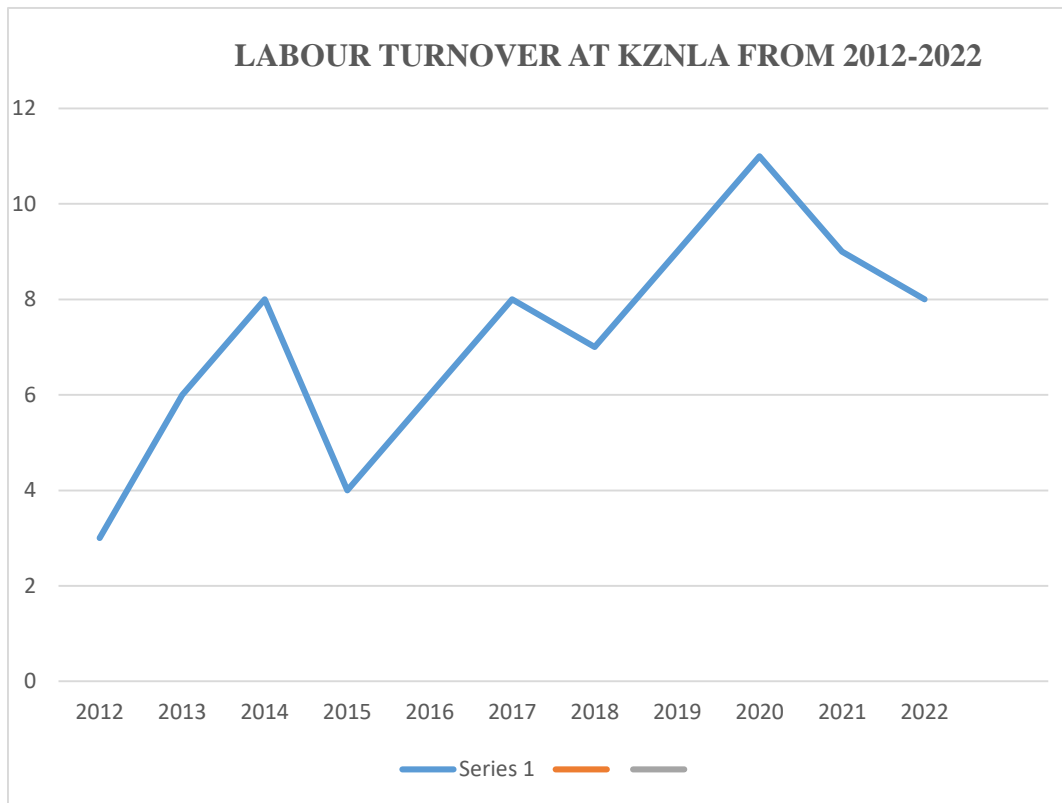
### **1.2 Background of the study**

Labour turnover is a burning issue across the length, and breath of South Africa including sectors of industry as employees change jobs in search of better conditions of service

effects (Salas-Vallina, Alegre & Fernandez, 2016; Cui, Davis & Huang, 2016). Low employee morale bears detrimental consequences on organizational conditions of service in that an unhappy or dissatisfied employee tend to leave the organization in search of an organization that has high morale effects (Salas-Vallina, Alegre & Fernandez, 2016). High employee morale is a function of several conditions/factors such as better salaries, housing allowance, medical insurance cover, transport allowance and many other conditions such as education, and meals allowance. effects (Cui, Davis & Huang, 2016). For instance, the department of Labour revealed national labour turnover of 12% across government departments (Department of Labour Report, 2022). State owned enterprises, in general are considered a safe haven as employees believe that the conditions of service offered by these Organisations are much better than other national departments like education, health, finance, industry, and commerce and many more. Interestingly, the KZNLA, a state-owned entity, considered a safe haven, is experiencing increasing labour turnover, calling for an empirical study.

The past ten years has seen the KZNLA experiencing continuous increase of employees leaving the organizations for reasons not clearly known (KZNLA Report, 2022). In addition, KZNLA has been in public media for the wrong reasons such as failing to deal with liquor abuse by indolence including adults as well. There have been complaints also regarding the increase of opening of unlicensed liquor outlets in suburban areas and close to schools. The KZNLA Report (2022), attributes the increase of unlicensed liquor outlets to shortage of personnel to manage and monitor the liquor licensing process. The KZNLA Report (2019), states that the recruitment of experienced liquor licensing officer would enhance the performance of the organization, hence the need to find ways of returning and recruiting more personnel. Below Figure 1.1 shows a graphical illustration on labour turnover at KZNLA over the years.

**Figure 1.1 KZNLA Labour Turnover 2012 - 2022**



Source: KwaZulu-Natal Liquor Authority Report: 2012

As illustrated on Figure 1.1, the KZNLA’s employee turnover has been increasing over the past 10 years and it is not known what the source of such high labour turnover is, despite the speculation that it could be due to low employee morale levels. It is well known that low morale has detrimental effects to the employee and to the organization (Thompson and Peters (2018)). The graph shows that the employee turnover has a direct relationship with the organizational costs. This could be due to the fact the overall organizational costs are inclusive with costs associated with advertising for new employees, recruiting them and loss of revenues due to the slow initiation of new employees. When new employees join an organization, they take time to reach full organizational performance due to their need to embrace the organizational principle and blend into the organizational culture.

Such resignations speak to an average of 8 employees per year. This has been regardless of whether the new job offers pay that is more than KZNLA. This begs the

question of whether the employees are leaving KZNLA because they are unhappy with the organization.

It is important to note that the KZNLA workforce is very diverse, which could pose a challenge to the human resource department in ensuring an organisational environment that breeds high employee morale. In organisations, diversity management is nothing new. Public organisations like the KZNLA have long adopted diversity policies (Ashikali & Groeneveld, 2015:757). Many organisations have used diversity management policies to enhance employee morale and performance, creativity, organisational efficiency, and effectiveness. This study assesses the impact of low employee morale on Labour turnover at KZNLA. The management of corporate activities must always consider workforce diversity, and according to academics in the resource management literature (Klarsfeld et al., 2016a; Loukik & Namratha, 2021; Olsen & Martins, 2012; Raymond et al., 2015). Workforce diversity is typically understood to mean valuing and recognising unique differences regarding age, socioeconomic status, ethnicity, gender, physical and mental ability, race, sexual orientation, religious convictions, and eligibility for public aid (Loukik & Namratha, 2021). According to Klarsfeld et al. (2016), it is the amalgamation of individual differences or the diversity of social and cultural identities. According to Raymond et al. (2015), diversity refers to all individual distinctions. It generally entails actions that exacerbate and strengthen personnel differences regarding accomplishing organisational objectives (Olsen & Martins, 2012). Mulkeen (2008) noted that diversity refers to all variations among individuals regarding their ages, genders, sexual orientations, educational levels, cultural origins, religious convictions, and career histories. The variances that exist among employees are the crucial component in an organisation. These interpersonal, societal, and cultural differences at work are crucial to successfully completing work or classroom-related activities (Loukik & Namratha, 2021). Managing organisational diversity could have an effect on employee morale at KZNLA.

The high employee turnover has a lot of bearing in other organisational aspects that also relate to human resources such as the reduction in organizational synergy as they constantly must be incorporating new employees, the costs incurred during the

recruitment and selection process which takes time and money from the organization, which could have been dedicated towards other productive tasks. When an employee leaves an organization, they leave with the skills and expertise that they would have garnered prior to joining the organization and during. So, when they leave, they may take these skills and expertise to other organizations thus reducing KZNLA's competitive advantage. Failure to correct the labour turnover could lead to the reduction in employee organizational performance and an increase in recruitment costs, therefore this study seeks to identify the relationship that exists between the low morale and turnover to offer suggestions on how to curb the problem.

This study provides findings that can be used not just by the KZN Liquor Authority, but any other company that has human resources. The completion of this study would shed light on the phenomena surrounding the concept of staff morale, motivation, and turnover. Below is the explanation of how they would affect the different interested parties. This alarming rate at which employees are leaving the organisation will only get worse if the management fails to not only address the issue but also understand the cause. This study is thus going to take the step towards gathering data pertaining to how employees feel about their jobs and how best they think their grievances can be addressed. This sees why the study is going to benefit not just KZNLA, but every business that has human capital.

### **International Perspective**

For organizations from the global perspective to ensure, maintain continuity and institutional sustainability, many employees due to demoralization especially during the COVID 19 pandemic shifted to work –from their domicile. Hundreds of millions of employees even discontinued their employment status resulting in unparalleled labour turnover. Furthermore, the employees ended up relying on government induced support that attempted to provide the resilience in recovering during the turbulence times over and above the organisation wide headwinds due to staff morale, disengagements and other reward-oriented tailwinds (International Labour Organisation, 2022).

## **National Perspective**

The high employee turnover has been an issue of concern across the labour movement in South Africa and KZNLA for the past decade Wilkins (2018). In the last five years KZNLA has had 50 staff members, which translates to approximately 30% of the workforce who resigned from their positions for search of other employment opportunities according to (KZNLA Annual Reports 2019). Nationally, labour turnover for state -owned entities seats at 5%, a comparatively low figure as employees regard state -owned enterprises to be stable organizations that pay a descent salary as well as providing better conditions of service.

### **1.3 Problem statement**

The high employee turnover has been an issue of concern across the labour movement in South Africa and KZNLA for the past decade Wilkins (2018). In the last five years KZNLA has had 50 staff members, which translates to approximately 30% of the workforce who resigned from their positions for search of other employment opportunities according to (KZNLA Annual Reports 2019). Nationally, labour turnover for state -owned seats at 5%, a comparatively low figure as employees regard state -owned enterprises to be stable organizations. Related to this, from 2012 to 2022, there has been an increasing rate of labour turnover at the KZNLA with no signs of improvement (KZNLA Report, 2022). Maintaining a high-level employee morale also depends on workforce diversity. The KZNLA employs a diverse workforce that include race, ethnicity, culture, age, gender, educational qualifications, and nationality, making it a challenge for the human resource functions to effectively manage diversity towards a holistic approach while ensuring superior organisational performance.

A study by Verma (2020) studied the impact of employee morale on turnover intention. This study revealed that low employee could result in increased intention to leave the organisation. This study did not proceed to show or demonstrate if the employees with the intention to leave finally left the organisation. Furthermore, study by Armstrong (2016) investigated the effects of employee morale on turnover admits that there is a correlation between the two variables within an organizational context. However, these studies focused on private organisation, hence their results/findings could be generalised to state

-owned entities. It is therefore clear, that while these two studies focused on related variables, the two studies did not provide concrete findings, which relates to the state-owned entities environment, hence the study seeks to fill this gap.

Over the decade, KZNLA received public criticism from the media and external stakeholders for failing to deal with alcohol abuse in the province blamed on the shortage of skilled workforce due low employee morale. According to Wilkins (2018) low employee morale leads to labour turnover, and negative organisational performance. Recently, the KZNLA has experienced increasing number of unlicensed liquor outlets often associated with alcohol abuse by indolence including by adults with the blame levelled shortage of skilled workfare arising from labour turnover. According to the KZNLA Report (2019), performance of the KZNLA relies on the availability of skilled employees who would effectively deliver service. According to the KZNLA (2019), increased labour turnover continues to negatively impact on the entity's performance. Based on this, the study therefore assesses the impact of low employee morale on Labour turnover at the KZNLA.

#### **1.4 Aim of the study**

The aim of the study was to explore and investigate the impact of low employee morale on labour turnover at the KwaZulu-Natal Liquor Authority gathering data through a quantitative, and qualitative survey on selected participants with the view to reduce labour turnover while enhancing KZNLA performance.

#### **1.5 Objectives of the study**

To address the above problems as highlighted in problem statement, the following objectives were developed namely: -.

- 1.5.1 To assess the impact of employee morale on labour turnover at the KwaZulu-Natal Liquor Authority.
- 1.5.2 To identify the sources of low employee morale at the KwaZulu-Natal Liquor Authority.
- 1.5.3 To critically assess the relationship between employee morale and organizational performance at the KwaZulu-Natal Liquor Authority.

## **1.6 Research questions**

The f research questions pursued in the study were predicated on the above objectives:

- 1.6.1 What is the impact of employee morale on labour turnover at the KwaZulu-Natal Liquor Authority?
- 1.6.2 What are the sources of low employee morale at the KwaZulu-Natal Liquor Authority?
- 1.6.3 What is relationship between employee morale and organizational performance are at the KZNLA organization?

## **1.7 Significance of the study**

This study is significant to several stakeholders which include, first and foremost, KZNLA, employees, senior management, the community, and the government of South Africa. To KZNLA, the study would benefit the organisation by improving employee morale. The employees would also benefit from recommendations of this study, as KZNLA addresses matters related to employee morale leading to possible improvement in KZLA performance, which in turn would enable to organization to grow. This would benefit the community through employment creation as the KZNLA grows, thus contributing to the overall performance of the organisation. It is therefore clear that recommendations by this study would help the KZNLA have a better view of how the different sources analysed by this study affect the rate of labour turnover. Arising from the fact that the KZNLA regulates the alcohol use in the province, recommendations from this one would improve organisational performance leading to the containment of alcohol abuse by both indolence and adults leading to improvements of loverhoods in the KZN province. The study would contribute to the existing body of knowledge on employee morale and the effect such morale has on organisational performance particularly in the liquor industry.

## **1.8 Brief research design and methodology**

This study employs a mixed method design that combines the quantitative and qualitative methods of data collection. The study collected data using questionnaires and interviews and analysed the data using the SmartPLS 4 statistical software and manual thematic analysis. The mixed method research design was selected because the study aims to

gather quantitative data from all the employees of the organisation as well as interviewing selected employees who have lived and experienced the labour turnover, and the related organisational performance at the time. Noting the strengths and weaknesses that flow from purely positivistic and phenomenological bias in research, this study adopted a mixed method that includes the quantitative and qualitative methods using questionnaire and interviews to gather data respectively. Many studies thus reveal a combination of quantitative and qualitative research methods. The use of multiple research methods enables the researcher to increase the reliability and validity of the findings. The weaknesses of one method are balanced by the strengths of other methods incorporated in the same study.

### **1.8.1 Ethical Compliance**

The study has been undertaken with the approval of UKZN Ethical Clearance Committee adherence which sought to take the confidentiality, pseudonym and anonymity of the study respondents at all cost and all the study protocol compliance by the researcher has been abided by . The actual clearance has been appended in the Appendix section of the research.

### **1.8.2 Future Related studies**

The future studies could take into cognizance the extension of the scholastic parameters that the current study might have not been able to reach due to the specific study site which is in the state-owned sector domain as the phenomenology that the study examined and explored is ubiquitous in many institutions and sectors .

## **1.9 Organisation of the study**

The study is presented in five chapters as outlined below:

### **1.9.1 Chapter 1 – Introduction**

The chapter introduces the study outlining the background of the study, problem statement, aims, objectives, and questions. In addition, the chapter provides the significance of the study, brief research design and methodology, organisation of the study before winding off with the chapter conclusion.

### **1.9.2 Chapter two - Literature review**

This chapter reviews literature aligned to the study objectives. Thus, the chapter reviews on the impact of employee morale on labor turnover, the sources of low employee morale, the relationship between employee morale and organizational performance. First and foremost, key concepts underpin the study are defined. The chapter also incorporate theoretical underpinnings that complement the application of literature reviewed.

### **1.9.3 Chapter three - Research design and methodology**

The chapter presents the research design, research philosophies, approaches and the methods selected, the population, sampling strategy, sample size and data collection instruments. The chapter also presents a section on the pilot study, the questionnaire, data analysis, validity, and reliability, trustworthiness of the qualitative study closing with the ethical considerations in research.

### **1.9.4 Chapter four - Statement of results and findings**

This chapter presents the results towards answering the study objectives. The chapter starts by presenting the response rate, followed by the biographical data.

### **1.9.5 Chapter five – Conclusions and recommendations**

This chapter presents conclusions and recommendations starting with findings from literature, followed by findings from empirical study. Thereafter, the chapter draws conclusions aligned to objectives from which the recommendations would be drawn. The chapter then winds of by making recommendations for future research.

## **1.10 Chapter conclusion**

This chapter introduced the study with a focus on background and aim of the study, discussed the research problem statement, and outlined the research questions and objectives. In addition, significance of the study, and the brief research design and methodology are also discussed. The next chapter [chapter 2] literature on the impact of employee morale on labour turnover, the sources of low employee morale, and the relationship between employee morale and organisational performance.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

The previous chapter introduced the study in an effort to contextualise the study. This chapter reviews the relevant literature pertaining to the impact of employee morale on labour turnover, the sources of low employee morale, and the relationship between employee morale and organizational performance giving a global perceptive as well. In closing, the chapter presents the theoretical framework from which the study draws. The chapter commence with the key concepts' elucidation that underpins the study.

### 2.2 The meaning of employee morale

Globally, the concept of employee morale is used to describe an employee's life during her/his employment within a particular organisation, how one is satisfied with life, the dominance of positive moods and emotions and minimal levels of adverse effects (Salas-Vallina, Alegre & Fernandez, 2016; Cui, Davis & Huang, 2016). Morale is identified to have numerous benefits; thus, it is appropriate to feel and pursue morale (Chancellor, Layous & Lyubomirsky, 2015). An employee's morale is high when s/he regularly experiences positive emotions such as joy, satisfaction, contentment, enthusiasm, and interest (Proto, 2016, Oswald, Proto & Sgroi, 2015).

Employee morale refers to the positive attitudes, feelings, moods, emotions, flow styles or positive affective experiences of employees within an organisation (Cui et al., 2016). Salas-Vallina, Alegre and Fernandez (2016) opined that when employees are happy at work, they express happy feelings towards the job and its characteristics, other employees and the whole organisation; and that it *lowers turnover* of employees and minimises customer complaints (de Waal, 2018). Thus, employees' emotions must not be confined to the background since employee morale positively returns to organisational performance (Oswald et al., 2015).

For instance, there is evidence to show that when employee morale increases, it results in greater organisational performance in paid piece-rate tasks because the efforts of happy employees increase (Proto, 2016; Oswald et al., 2015).

Oswald et al. (2015) identified increasing employee efforts at the workplace as one of the main sources that link employee morale to organisational performance. With this, KZNLA must put in place effective strategies and policies that would encourage employees to increase their efforts at work (Kiruja & Mukuru, 2018). In addition, KZNLA should create a good and diversity-conscious working environment converting workplaces into high performing organisations present as effective strategy (Honyenuga, 2015; de Waal, 2018).

According to Do, (2016); Downey, van der Werff, Thomas, and Plaut, (2015), increasing efforts at the workplace is essentially about harnessing the skills, knowledge, abilities, opportunities, and willingness of employees to engage in extra-role behaviours which organisations must adopt. In consolidation, organisations ought to invest and make use of diversity-oriented human resource management practices to provide employees with the necessary skills, motivations and willingness to increase their work efforts (Do, 2016; Downey, van der Werff, Thomas & Plaut, 2015). Downey et al. (2015) opined that effective diversity-oriented human resource management practices make employees feel included in the organisation, thus creating a trusting climate and a feeling of belonging which makes employees happy, thereby positively influencing their engagement and organisational performance. Similarly, organisations that design and implement effective diversity-oriented human resource management practices is contemplated to create conducive climates of care and are socially responsible, making the workplace attractive and increasing the employees' morale (Collings et al., 2018; Noe et al., 2017).

Aligned to this study, it is imperative to know that every organisation, requires employees with high morale levels. Therefore, organisations, both public and private organisations' objectives, visions and missions rely on positive employee morale. However, KZNLA employees are seemingly unhappy, and evidenced by increasing labour turnover (KZNLA, 2019). For example, the past five years saw the KZNLA experiencing a surging

labour turnover of 30% (KZNLA Annual Reports 2019). This turnover surpasses the national labour turnover for all state-owned enterprise that is at 5%, a lower percentage figure as employees regard state -owned enterprises as organisation popular for offering better conditions of service. This assertion aligns with Wilkins (2018) who suggested low-morale employees tend to leave the organisation ultimately affecting organisational performance.

### **2.3 The meaning of labour turnover**

In human resources terms, turnover is the act of replacing an employee with a new employee. Partings between organizations and employees may consist of termination, retirement, death (Stevens, and Joan, 2013). An organization's turnover is measured as a percentage rate, which is referred to as its turnover rate. Turnover rate is the percentage of employees in a workforce that leave during a certain period of time. Organizations and industries as a whole measure their turnover rate during a fiscal or calendar year (Smith, 2018).

If an employer is said to have a high turnover rate relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry (Perkins and Hughs, 2014). High turnover may be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novices (Kanfer, Frese, and Johnson, 2014). Companies will often track turnover internally across departments, divisions, or other demographic groups, such as turnover of women versus men (Jackson, and Franks, 2014). Additionally, companies track voluntary turnover more accurately by presenting parting employees with surveys, thus identifying specific reasons as to why they may be choosing to resign. Many organizations have discovered that turnover is reduced significantly when issues affecting employees are addressed immediately and professionally (Perkins and Hughs, 2014). Companies try to reduce employee turnover rates by offering benefits such as paid sick days, paid holidays and flexible schedules. In the United States, the average total of non-farm seasonally adjusted monthly turnover was 3.3% for the period from December 2000 to November 2008 (Smith, 2018). However, rates vary widely when compared over different periods of time and with different job sectors. For example, during

the 2001-2006 period, the annual turnover rate for all industry sectors averaged 39.6% prior to seasonal adjustments, while the leisure and hospitality sector experienced an average annual rate of 74.6% during this same period. External factors, such as financial needs and work-family balances due to environmental changes (for example economic crisis), can also lead to increased turnover rate.

## **2.4 The sources of employee morale**

The human resource management literature revealed several sources of employee morale which include work context sources, social context sources, leadership context sources, personal resources context sources, diversity human resource sources (Salas-Vallina, Alegre and Guerrero, 2018).

### **2.4.1 Work-related sources**

For work context sources, the literature revealed some sources that impact employee morale, such as autonomy, flexibility at work, supportive supervisors or superiors, sufficient workers, lean arrangements, expectations of work, serenity, professionalism, conditions, fairness, feedback, empowerment, trust, dignified treatment, lean management, work climate, fair remuneration, perceived social status and available inputs (Salas-Vallina, Alegre and Guerrero, 2018).

### **2.4.2 Social context sources**

Thompson and Bruk-Lee (2021) noted that greater job demand brings worker discontent. Requirements of the job involve physical, psychological social and or organisational aspects of the job that requires sustained physical and or psychological cost (Bakker & Demerouti, 2016). For instance, job demands are high work pressures on employees, emotionally taxing tasks, and high role ambiguity. Job demands often become stressors, resulting in many adverse organisational outcomes (Bakker & Demerouti 2016). Inadvertently, a high level of job demand results in decreased employee organisational commitment and performance, and increased turnover, especially under low job resources.

Another group of sources is social interactions, including collaboration, interpersonal relationships, high-quality connections, workers' and managers' relationships, pleasant interactions, and communication (Salas-Vallina, Alegre & Guerrero, 2018). For instance, the antecedent of employee morale observed in the morale literature is organisational and individual support at work (Qaiser, Abid, Arya & Farooqi, 2020). Qaiser et al. (2020) noted that support from working colleagues significantly enhances employee morale. This means that the extent to which employees provide social support to each other at work can positively affect the working experience, subjective well-being and the quality of work-life, thereby improving employee morale (Veenhoven, 2016). According to Spreitzer, Porath and Gibson (2012), a supportive working environment enhances the development of positive relationships among employees, eventually increasing morale and reducing turnover intentions. In addition, support from colleagues, such as sharing ideas and collaborating with colleagues, ensures growth, vitality, and learning, enhancing employee morale. On the other hand, the morale literature has also revealed that the unavailability of social backing at the workplace reduces employees' morale, among others (Spreitzer et al., 2012).

#### **2.4.3 Personal resource sources**

Furthermore, personal resources are one of the sources of employees' morale at work. These sources include the level of education, personal well-being, self-esteem, workplace adversity, unfavourable dispositions, genuineness, stamina, favourable emotions, and dispositions (Salas-Vallina, Alegre and Guerrero, 2018). For instance, Peeters, Van De Voorde, and Paauwe (2021) suggest that employees with less contentment had little to average organisational performance. However, employees with great contentment had an average, high and top performance.

#### **2.4.4 Diversity human resource sources**

The study conducted by Peeters et al. (2021) revealed that the contentment and satisfaction of employees are based on training opportunities, availability of networks, and independence (Qaiser et al., 2020). Again, the same study identified that functions and

responsibilities that are more comprehensible and advise on organisational performance, independence and flexibility are associated with employee well-being, which intends to enhance high and top employee performance significantly.

#### **2.4.5 Leadership sources**

The final groupings of the sources of work morale suggested by Salas-Vallina, Alegre and Guerrero (2018) are leadership sources such as stimulating, genuine, bringing change, innovative and business-minded. Many empirical studies explored the connections between leadership styles and contentment (De Vito et al., 2018; Salas-Vallina, Alegre and Guerrero, 2018). Conversely, an inspirational leadership style significantly predicts employee (medical specialists) morale at work (Salas-Vallina, Alegre and Fernandez, 2017), while a transformational leadership style also significantly improves health workers' morale at work (Salas-Vallina, Alegre & Fernandez, 2017).

Therefore, creative, and inspirational leaders have a stronger impact on workers' morale. In summation, managers and employers should provide environments and opportunities for growth, autonomy, and recognition for their employees because it can be deduced from the ongoing that employees are happy with their work when they are given more autonomy, opportunities for growth and recognition.

Origination of employee morale are equally relevant in the corporate and public I sector since when workers are dissatisfied in such institutions, it leads to low morale, low organisational performance, and high turnover (De Vito et al., 2018). A study conducted by Saani and Tawiah (2017) on the effects of compensation packages on the junior staff of showed that non-financial rewards such as recognition, responsibility, needs for achievement, influence and personal growth have positive effects on their pleasure. Furthermore, Afful-Broni (2012) revealed that low income, lack of clear career progression and delays in promotion, and unavailability of appropriate facilities and logistics result in the low motivation of workers, affecting their morale, morale and performance.

Coming to human resource diversity management, nothing is new in the contemporary organisation. Public organisations have long adopted diversity policies to improve

employee morale (Ashikali & Groeneveld, 2015:757). Many organisations especially in South Africa have used diversity management policies to enhance employee morale and performance, creativity, organisational efficiency, and effectiveness. This study assesses the impact of low employee morale on labour turnover at KZNLA, a public sector entity in South Africa.

The emphasis of this aspect of the literature focuses on what constitutes workforce diversity management, the consequences of workforce diversity management on the organisation, employees' attitudes, and behaviours, and how to build an inclusive workforce in the workplace. Conceptualising diversity management involves discussing its definition and dimensions. This entails understanding and valuing the various variety of dimensions of diversity management and embracing it as a strategic organisational initiative.

The management of corporate activities must always consider workforce diversity, according to academics in the management literature (Olsen & Martins, 2012; Raymond et al., 2015; Klarsfeld et al., 2016a; Loukik & Namratha, 2021). Workforce diversity is typically understood to mean valuing and recognising unique differences regarding age, socioeconomic status, ethnicity, gender, physical and mental ability, race, sexual orientation, religious convictions, and eligibility for public aid (Loukik & Namratha, 2021).

According to Klarsfeld et al. (2016a), it is the amalgamation of individual differences or the diversity of social and cultural identities. According to Raymond et al. (2015), diversity refers to all individual distinctions. It generally entails actions that exacerbate and strengthen personnel differences regarding accomplishing organisational objectives (Olsen & Martins, 2012). Mulkeen (2008) noted that diversity refers to all variations among individuals regarding their ages, genders, sexual orientations, educational levels, cultural origins, religious convictions, and career histories.

The variances that exist among employees are the crucial component in these definitions. These interpersonal, societal, and cultural differences at work are crucial to successfully completing work or classroom-related activities (Loukik & Namratha, 2021). Therefore, workforce diversity is used to describe all the conspicuous and inconspicuous features of

employees that differentiate one employee from the other. These features and experiences influence the attributes and dispositions of employees at the workplace.

The definition provided by Akinnusi, Sonubi, and Oyewunmi (2017) is related to the abovementioned definitions. It defines workforce diversity as the vast array of individual variances and similarities that distinguish each employee. Furthermore, workforce diversity encompasses the similarity and variety of the workforce in terms of age, cultural origin, physical traits and impairment, social status, religion, gender, and sexual preferences (Saxena, 2014). According to Otike, Messah, and Mwaleka (2010), workforce diversity brings together a range of experiences, viewpoints, values, advantages, and employee contrasts and similarities.

These individuals, with their differences, acts as assets to the organisations. Patrick and Kumar (2012) provide a comprehensive definition of workforce diversity by stating that diversity is a set of conscious practices that involve understanding and appreciating interdependence of humanity, cultures, and the natural environment; practising mutual respect for qualities and experiences that are different from our own (Patrick & Kumar, 2012:1). Again, this definition connotes that everyone is unique and as such should be accepted, respected and celebrated for individual differences since these differences are harnessed for the good of organisations. Effective people management, which can increase workplace efficiency, is based on valuing variety (Daubner-Siva, Vinkenburg, & Jansen, 2017). According to Dessler (2011), diversity is the range or multiplicity of demographic characteristics, notably those relating to race, sex, culture, national origin, disability, age, and religion, that define a company's workforce. Every human being is different. People vary not only in terms of their social and psychological characteristics, gender, culture, race, and preconceptions but also in terms of their worldviews. As a result, society has discriminated against these traits for generations.

Heterogeneity in the workforce is caused by diversity. Employing a diverse workforce is necessary for every organisation, yet managing such a diverse staff presents significant management challenges. Therefore, South African public or private sector organisations, ought to engage various stakeholders, including all levels such as the unions, lower, middle and senior management to benefit from diversity management.

From the ongoing discussion and given the KZNLA context, workforce diversity is defined in this study as all the distinguishable characteristics such as age, gender, work experience and cultural background of each employee that are nurtured and harnessed for the common good of the public sector entities.

Diversity management refers to the various actions taken by organisations that are aimed at promoting greater inclusion of employees from different socio-cultural and religious backgrounds in an organisation's structure through specific policies and programmes (Grissom, Kern & Rodriguez, 2015). Diversity management in the corporate (private or public) sector has received a growing trend due to the increasing variety of the workforce globally. Diversity management refers to organisational actions that strive to promote better inclusion of individuals from different backgrounds into an organisation's structure through specialised policies and programmes, according to a short explanation provided by Corporate Finance Institute (2020:2). Patrick and Kumar (2012:1) offer a different definition, stating that diversity management is a process meant to develop and sustain a healthy work environment where the similarities and differences of persons are valued. These definitions mean that diversity management is well-planned actions organisations take to ensure that all employees feel accepted and belong to the organisation.

Though scholars tried to explain diversity management differently, their meanings are not dissimilar (Ashikali & Groeneveld, 2015, Joshua & Taylor-Abdulai, 2014, Choi & Rainey, 2014, Patrick & Kumar, 2012). For instance, Choi and Rainey (2014) characterised diversity management as creating an environment where each person is encouraged to reach their full potential to promote corporate goals, regardless of whether they are a member of a majority or minority group. The importance of worker equality and how it can be leveraged to ensure organisational effectiveness is strongly emphasised in this definition. In addition, it has also been defined as the application and blending of all managerial duties inside the organisation in order to successfully harness the contrasts and similarities among all diverse people for an organisation's competitive advantage (Dike, 2013). Patrick and Kumar (2012) contrasted this by stating that diversity management aims to create and maintain a positive, encouraging workplace where each employee's distinctive qualities are valued and fostered to support them in realising their

full potential and making the most of their contributions to the organisation to meet its strategic goals and objectives. This definition emphasises creating a valuable and conducive environment where workers can contribute to the ultimate realisation of educational institutions' strategic goals.

Most organisations, including those in South Africa, embrace these definitions by allowing for hiring and managing employees from different parts of the world with different values, life experiences, perceptions, and perspectives on issues. Therefore, public entities are designed to have specific policies that enhance employee inclusion regarding employment, promotion, and equal opportunities for people from different backgrounds and cultures. In addition, these designs should create an open and welcoming learning environment for teams, group work, and individuals (both workers and students) who perceive that they are denied access to certain opportunities based on their differences.

## **2.5 Theoretical framework**

This study draws from five theories namely the social theory, organisational justice theory, Maslow's Hierarch of needs Theory and Herzberg Two Factor Theory with each of the theories discussed below.

### **2.5.1 Social exchange theory**

To describe and comprehend attitudes and behaviours within organisations that align with employee morale, the social exchange theory (Homans, 1958) is regarded as one of the most influential ideas that could be adopted. Broadly this theory take into cognisance the cognate of employee worth in the organisation in terms of rewards and costs casualty. According to this idea, interactions and relationships bring about a series of transfers and transactions that lead to mandatory and discretionary actions (Cropanzano & Mitchell, 2005). Typically, these interactions came about as a result of the actions of the organisation as well as individuals (Blau, 1964; Cropanzano & Mitchell, 2005). Further, it emphasises that there are actions that depend on each other among individuals that can develop into high-quality relationships. Therefore, the underlining perspective of this idea is that relationships should benefit either party because people enter into and maintain exchange relationships that they perceive to be beneficial and rewarding (Miles, 2012).

Cropanzano et al. (2017), predicts that when an organisational actor, in reaction, initiates positive action, hence there is a positive favourable reciprocal response by the targets involved. This means that positive and negative initiated actions within the organisational environment would lead to reciprocal good or bad responses such as morale and positive perceptions. Miles (2012) is, therefore, of the view that to get the best out of employees, such as through organisational citizenship behaviours and sharing knowledge, organisations should create environments of trust and high job security and make use of both social and economic benefits to make their employees feel valued.

From organisational lenses perspective, several studies (Bodla et al., 2014; Atta & Khan, 2015) that favour the idea of social exchange propose that workers would engage in extra-role activities even to the detriment of their specified assignments due to the encouragement, contentment, morale and commendation they got from their bosses and the organisation. Thus, any form of value placed by the organisation puts a strain on the workers to reciprocate such favourable actions by performing beyond their specified jobs. Consequently, these extra-role behaviours, termed organisational citizenship behaviour (OCB), intend to produce favourable work-related outcomes such as OCB. On the contrary, any form of mistreatment or unfair organisational practice makes workers discontented, which invariably affects their emotional dispositions, disconnects them from their responsibilities and makes them unproductive (Atta & Khan, 2015).

#### **2.5.1.1 Application of the social exchange theory to the study**

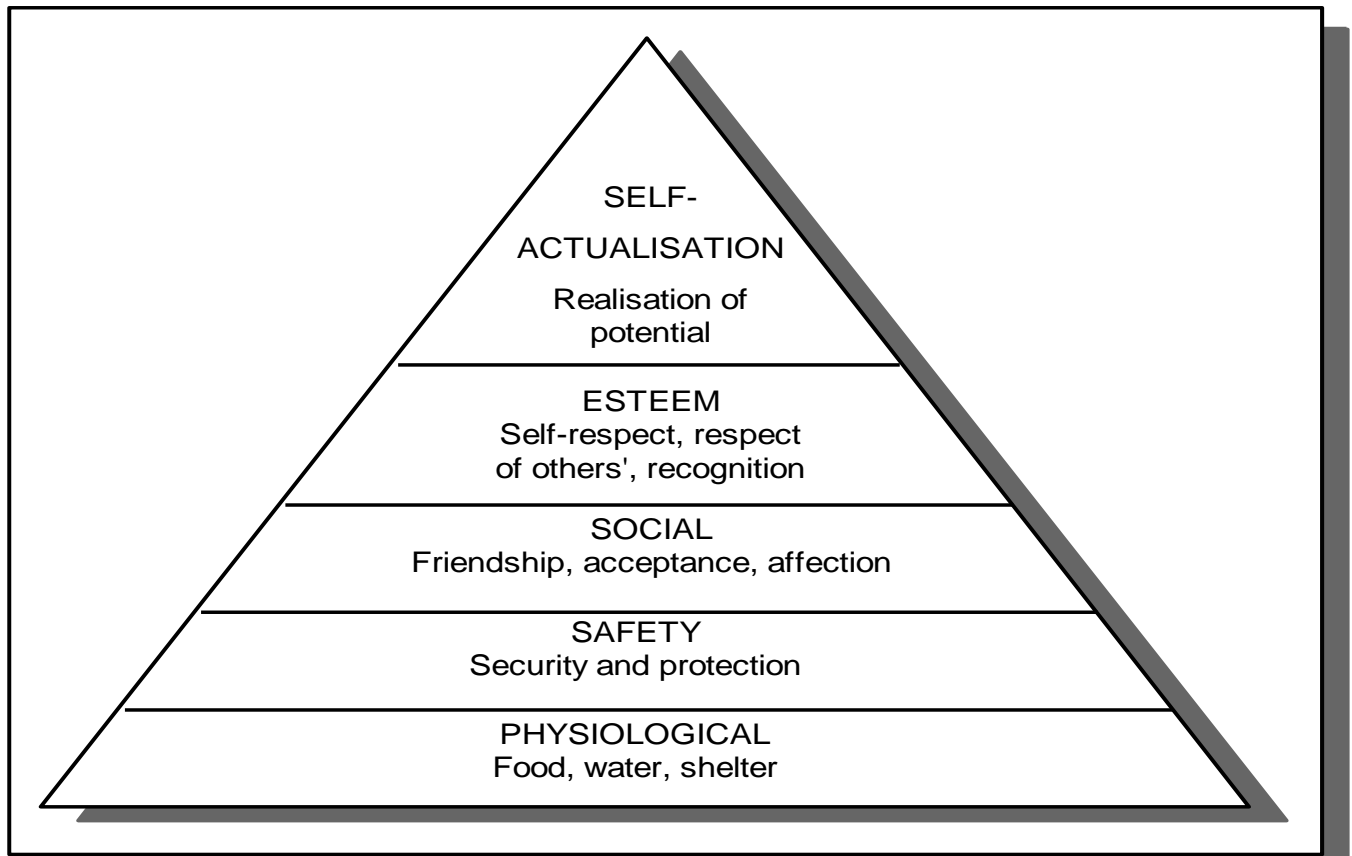
Thus, this study assumes that KZNLA, a South Africa state owned enterprise, ought to implement effective diversity-oriented human resource management practices, which would minimise the increasing labour turnover towards a healthy productive organisation. The bottom line is that this study emphasises effective implementation of diversity-oriented human resource management practices would create beneficial and favourable work conditions for employees. Thus, all categories of organisations (public or private) would feel obligated to reciprocate this good gesture of the organisation; as a result, the staff would exhibit a sense of commitment and loyalty to the institution and consequently exhibit extra-role behaviours, ultimately minimising labour turnover.

Following Cropanzano et al.'s (2017) perspectives and according to the idea of social exchange, this research proposes that: first, the impacts of diversity-oriented human resource management practices on OCB of staff is mediated by employee morale. Second, the effects of perceived organisational justice on organisational citizenship behaviours are expected to be mediated by employee morale. Studies have shown that adopting and using effective diversity-oriented human resource management practices are related to organisational citizenship behaviours (Noe et al., 2017; Kanfer, Frese & Johnson, 2017; Kundu & Mor, 2016).

The effectiveness of diversity-oriented human resource management practices leads to positive perceptions and social and organisational acceptance, which boosts results of employees such as organisational citizenship behaviours (Guillaume et al., 2017; Kim, Lee & Kim, 2015). Kim et al. (2015) thus emphasised that key predictors of positive employee outcomes include effective diversity-oriented human resource management practices. This summarises the conclusions that Ashikali and Groeneveld (2015) reached that employees' positive perceptions due to effective diversity-oriented human resource management practices increase their morale. They are most likely to reciprocate with positive workplace behaviours such as organisational citizenship behaviours. In the overall, this would result or lead into reduction in labour turnover.

### **2.5.2 Maslow's hierarchy of Needs Theory**

The study also borrows Maslow's hierarchy of needs. Maslow identifies five categories of needs which are organised in levels from the most basic needs to the more sophisticated needs (Robbins, 2019).



**Figure 2.1 Maslow's Hierarchy of Needs Theory**

Source: Robbins 2019:391

Abraham Maslow summarizes the five level on Figure 2.1 - the Hierarchy of Needs consisting of five levels as explained below:

- **Physiological Needs** - food, water, shelter, air, sex. In organizations these represent needs such as salaries, wages or basic working conditions. If these are not met, behaviour would be directed towards satisfying them. However, once these needs are met, they no longer influence behaviour (Smit et al, 2019).
- **Safety Needs** - protection, order, security. In the workplace this involves job security, medical aid, insurance, and pension schemes (Smit et al, 2019).
- **Social Needs** - affection, friendship, belonging. In organizations people join different groups to satisfy their social needs. By forming work teams and encouraging employees to interact amongst each other, managers can make sure that their employees' social needs are met (Smit et al, 2019). Low organizational

performance, absenteeism and stress related behaviours may be some of the behaviours that employees express when the organization does not meet their affiliation needs (Hellriegel et al., 2016)

- **Ego or Status Needs** - prestige, status, self-respect. In this area managers give recognition to achievers by rewarding them with certificates, prizes and other awards for success. This is usually done in front of their peers and managers.
- **Self-Actualization Needs** - self-fulfillment. This is the highest level in Maslow's Hierarchy of Needs. It involves the full development of an individual's potential. Managers create a climate of skills development, and those who have achieved the top levels, usually go back and mentor new salespeople joining the organization (Smit et al, 2019).

According to Maslow, these needs rank from lowest to highest level. He suggests that individuals seek to satisfy lower-level needs before higher-level needs. When each level of needs is satisfied or partially satisfied, the next level of needs motivates the individual. This hierarchy is influenced by culture on two levels; firstly, Maslow's axiom that one level of needs must be satisfied before the next can appear is not true for every culture, and secondly similar kinds of needs may be satisfied by different products and consumption types.

Maslow's Hierarchy states that a person tries to satisfy the most important need first. When that need is satisfied, it would stop being a motivator and the person would then try to satisfy the next most important need (Kotler and Armstrong, 2016). Maslow's Hierarchy of Needs is of course a simplification of complex human behaviour. A person's needs do not necessarily progress from one stage to another in the same sequence as the Hierarchy. The usefulness of Maslow's Hierarchy is its universality.

Maslow's theory maintains that an individual would seek to satisfy his/her lower order needs before attempting to satisfy his/her higher order needs. For example, an individual would seek to satisfy his/her physiological needs (e.g. through acquiring a job which provides money for food, water and shelter) before he/she attempts to satisfy his/her

safety needs (e.g. through obtaining job security and safe working conditions). While numerous criticisms of Maslow's theory have been made, it is of use to managers in that it identifies that different individuals seek to satisfy different needs. In order to motivate their employees, managers must seek to identify and address the needs which individuals are attempting to satisfy through their work (Jones et al., 2019).

The level the employees would be on the hierarchy of needs and thus seek to know how best to motivate them. The managers can use the hierarchy as a template to gain an understanding of the different stages to follow through. Washington and Sanders (2013) further assert that when the leaders endorse the Maslow's hierarchy of needs, not only would the employees become more satisfied with higher motivation, but the organisational performance would then be a positive by-product that would have an imperative effect on the organisational performance. The implementation of this theory as explained by Walker (2012) as being to start on the first stage when an employee joins the team. The initial need that an employee would have would be the physiological needs that would be satisfied by money hence why the managers would attempt to offer slightly above average salaries.

#### **2.5.2.1 Application of Maslow's Hierarchy of needs to the study**

The issue to do with salaries can be further explained by the offering of what are known as piece rates within the organisation. Jackson and Franks (2014) explain that piece rates are the reward method when the organisation offers remuneration based on the completion of work which can be distributed into key performance indicators. For example, with an organisation such as the KZN Liquor Authority, the KPIs could be cost reduction which when met the employees get financial rewards agreed upon. Once these basic needs are met, the hierarchy states that the next level would be the need to feel secure. These different aspects of security as illustrated in the figure above. Employees have a need to feel secure in the workplace and one of this would be paying for their pension and giving them ten-year employee plans that would let the employees feel like the organisation and them would be in a long-lasting relationship. This is in contrast to the current state of things in which employees do not feel secure as they can lose their

jobs at any time. Having a good salary is not enough if one does not have a clear view of where they are heading with the organisation (Adams, Perkins, & Mayfield, 2014).

### 2.5.3 Herzberg's Two Factor Theory

Herzberg identifies two categories of sources which influence an employee's level of job satisfaction:

#### Herzbergs Two-Factor Theory

In the 1950's Frederick Herzberg conducted a study to examine the relationship between job satisfaction and productivity.

He termed the sources of work satisfaction "motivation factors".

**Satisfied**



**Not Satisfied**

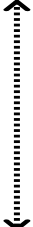
#### **MOTIVATOR FACTORS**

##### **Areas of Satisfaction**

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement

The sources of dissatisfaction were termed "hygiene factors".

**Not Dissatisfied**



**Dissatisfied**

#### **HYGIENE FACTORS**

##### **Areas of Dissatisfaction**

- Organization Policy
- Supervision
- Salary
- Working conditions
- Interpersonal relationships

### 2.2 Herzberg Two Factor Theory

Source: Mullins 2019:290

#### ***Hygiene sources***

Hygiene are extrinsic, such as company policy, administration, salary, working environment and supervision. When hygiene sources are adequate, the employee experiences neither job dissatisfaction nor job satisfaction. However, when hygiene sources are inadequate, the employee experiences dissatisfaction (Robbins, 2019).

## **Motivators**

Motivators are intrinsic sources, such as interesting work which provides for achievement, recognition, responsibility and advancement. The presence of motivators would result in satisfaction and a motivated workforce (Robbins, 2019). Herzberg's theory is relevant to managers in that it focuses their attention on the distinction between, and effect of, intrinsic and extrinsic motivation (Jones et al., 2009). This theory also indicates to managers the importance of job design in providing for intrinsic motivation.

Smit et al. (2019) point out that Herzberg's theory is different to Maslow's, because Herzberg assumes that most employees have already satisfied lower order needs so that they are primarily motivated by Maslow's higher order needs. However, they must continue to satisfy their lower –order needs in order to maintain their present situation. Hellriegel et al. (2016) notes that a company in Cape Town providing free parking, excellent health and life insurance, a retirement plan and time off for child and elder care would not motivate its employees with these benefits or generate any additional feelings of excitement about the job or the company since these are Hygiene sources.

### **2.5.3.1 Application of Herzberg theory to the study**

Managers should eliminate dissatisfaction by ensuring working conditions, company policies, and other job context sources are reasonable and appropriate. To enhance employee motivation, managers can provide opportunities for, growth, achievement, and responsibility. Job Enrichment would also contribute to workers' motivation. Herzberg identifies two sources which impact on job satisfaction: Hygiene sources and Motivators.

- **Hygiene Sources:** when absent, this set of sources would result in job dissatisfaction. However, when present, hygiene sources would not lead to job satisfaction, but would provide the employee with no job dissatisfaction (Jones, et al. 2019). Examples of hygiene sources are provided in *Table 2.1*. Thus, according to Herzberg, to motivate employees, managers must give attention to both hygiene sources and motivators.

**Table 2.1 Herzberg's Hygiene and Motivator factors**

<b>HYGIENE SOURCES</b>	<b>MOTIVATORS</b>
<ul style="list-style-type: none"><li>• Company policy and administration</li><li>• Supervision</li><li>• Relationship with supervisor</li><li>• Work conditions</li><li>• Salary</li><li>• Relationship with co-workers</li><li>• Relationship with sub-ordinates</li><li>• Status</li><li>• Security</li></ul>	<ul style="list-style-type: none"><li>• Achievement</li><li>• Recognition</li><li>• Work itself</li><li>• Responsibility</li><li>• Advancement</li><li>• Growth</li></ul>

**Source: Mullins 2019: 291**

Herzberg's theory is recognized to have achieved what Maslow's theory did not – the applicability of its proposition to the workplace. However, Herzberg's theory has been tested in several studies and although there is support for his theory, much skepticism has also emerged (Mullins, 2019). One of the arguments against his approach is that his theory fails to acknowledge individual differences and therefore one factor (such as responsibility) could cause satisfaction for one individual and dissatisfaction for another (Mullins, 2019).

## **2.6 Chapter conclusion**

Employee morale and organisational performance are interrelated from an organisational point of view as low employee morale tends to have a negative impact as vice versa. The chapter reviews literature sources that affect employee morale, the relationship between employee morale and organisational performance. In addition, the chapter interrogated diversity human resource management as a critical component that influences employee morale. Finally, the chapter reviewed various theories from which the study draws. These include the social justice theory, the organisational justice theory, Maslow's hierarchy of needs theory and the Herzberg theory of motivation. The next chapter presents research design and methodology.

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

The previous chapter presented literature and theories aligned to the study. This chapter presents the research design and methodology and associate research protocol of data management process. The study followed a mixed method design using the qualitative method in which interviews, and questionnaires were used to gather data. Sections covered by the chapter include the research design, the population, the sampling methods and techniques, data collection instruments and the administration thereof. Other sections also covered by the chapter include validity and reliability, and ethical considerations.

### **3.2 Research Design**

According to Saunders, Lewis, Thornhill & Bristow (2019), the research design entails the plan that outlines how the researcher answers the research questions formulated early in the study. Lewis (2015) notes that a research design is a set of processes and procedures from the collection of data to the time analysis process.

Saunders et al. (2019:295) summarises by stating that research design entails all the steps and processes executed by the researcher to solve the research problem. Drawing from this summary, research design focuses towards solving the research objectives and questions as stated at the commencement of the project, includes data sources. Specifically, Saunders et al. (2019:296) argue “that the research design includes all the steps followed by the researcher, the data collection tools, the sampling methods and the populations.

Wiid and Diggines (2010) note various research designs that can be adopted in a study and these research designs can be classified into three main categories: exploratory, descriptive, and causal designs. Exploratory studies aim to acquire insight and develop understanding than to collect accurate, replicable data (Wiid & Diggines, 2010). Descriptive research goes further in examining a problem than exploratory research since descriptive research is undertaken to ascertain and describe the characteristics of the

pertinent issues (Collis & Hussey, 2003). Causal studies are done mainly with the purpose to reveal cause and effect between the dependent and independent variables. In essence, exploratory research attaches meaning to variables; descriptive research often reveals possible links between variables; while causal research confirms and describes the relationship between variables or shows such relationship to be false (Wiid & Diggins, 2010). Differently stated, exploratory research proposes new theories; descriptive research tests theories, while causal research reinforces theories.

This study employed a mixed design which incorporate the descriptive and exploratory design as the study sought assessing the Impact of low employee morale on Labour turnover at the KZNLA by interviewing and through a questionnaire. In addition, the descriptive and exploratory research design allowed the researcher to gather data from wide scope [all employees] while the exploratory design enable the researcher to tap into the lived experiences of selected managers and employees who had relevant detailed knowledge on employee morale, labour turnover and organisational performance.

### **3.3 Research philosophy**

Research philosophies incorporate the fundamental philosophical concepts and values about the nature of reality and the scientific pursuit of knowledge (Yin, 2003). Essentially there are two schools of thought about science and knowledge - positivism and phenomenology. They hold diametrically different views about the research process and research design as presented below.

#### **3.3.1. Positivist philosophy**

Positivist research is generally quantitative and involves the use of numerical measurement and statistical analyses of measurements to examine social phenomena (Yin, 2003), It views reality as consisting of phenomena that can be observed and measured. The advantages of this quantitative approach are that it places great premium on objectivity and reliability of findings and encourages replication. Applied to social

sciences and business research, positivism may not always be appropriate, as all social phenomena cannot be accurately and reliably measured, thus reducing the validity of the findings.

### **3.3.2. Phenomenological philosophy**

According to Saunders et al. (2019) phenomenological researchers, in contrast, argue that the world is socially constructed, and that science is driven by human interests and that the researcher, as a subjective entity, is part of the world he/she is observing. Objectivity, in short, is an impossible aim. The advantages of this qualitative, interpretive orientation in research are that the findings often have greater validity and less artificiality as the process of observing phenomena in natural, real-life settings often allows researchers to develop a more accurate understanding of those phenomena (Wiid and Diggins, 2010). Good qualitative research often reveals depth of understanding and richness of detail. However, research driven by phenomenological philosophy is sometimes undermined by the subjectivity of the researcher and the poor reliability of the findings in that, two researchers may arrive at different conclusions based on their observations of the same phenomena at the same time.

### **3.3.3 Mixed research philosophy – justification of the selected philosophy**

As noted earlier, positivism and phenomenology represent two ends of a continuum. Often researchers may develop research designs that combine research strategies from those two paradigms in a single research design. Noting the strengths and weaknesses that flow from purely positivistic and phenomenological bias in research, this study adopted a mixed method that draws on both positivism and phenomenology. For example, this study used a qualitative approach in conducting in-depth interviews with individuals from the target population as well as gathering wide spread quantitatively using statistical analysis tools. Many studies thus reveal a combination of quantitative and qualitative research methods. The use of multiple research methods enables the

researcher to increase the reliability and validity of the findings. The weaknesses of one method are balanced by the strengths of other methods incorporated in the same study.

### **3.4. Philosophical Assumptions and Paradigms**

This section narrates the philosophical assumptions and paradigms under the following subheadings:

#### **A) Ontology**

According to Dissanayake (2023), ontology discusses what the study seeks to reveal about the theory in other words how the nature of the object under study results in knowledge. Ontology helps researchers recognize how certain they can be about the nature and existence of objects they are researching. In this study, the ontological basis seeks to confirm what the literature says about the effect of low employee morale on labour turnover.

#### **B) Epistemology**

Creswell (2013) states that epistemology relates to how knowledge can be recognized, developed, or acknowledged, and considers alternative ways of approaching research. As described by Eriksson, and Kovalainen (2008), epistemology could be either objective, recognizing the outside world as hypothetically impartial (positivist), or subjective, suggesting that the outside world is in the realm of clarifications from reflection (interpretivist). Epistemological assumptions are established upon the understanding of the nature of knowledge; they connect to human knowledge and are gained through the empathic understanding of the participant's subjective lived realities, and understandings (Suanders et al., 2019). In this context, the researcher becomes immersed in the study and gets as close to the participants of the study as possible (Buriell, and Morgan, 2016). Stemming from ontology (what exists for people to know about) and epistemology (how knowledge is created and what is possible to know) are philosophical perspectives, a system of generalized views of the world, which form beliefs that guide action.

### **C) Axiology**

Morgan, (2016) argues that the axiological assumption looks at the role that social values and biases play in defining the narrative and interpretation of a phenomenon in research. Bell (2019), notes that axiology discusses the value associated with the usefulness of the knowledge gained. It entails the researcher's understanding of values and their role in research. It examines values, deals with issues of right and wrong and measures the level of development and types of perceptual biases.

### **D) Methodology**

Saunders et al. (2019) highlights that research methodology is a fundamental aspect of research. It is a general research strategy which delineates the way how research should be undertaken. Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In this study, the methodology section allows the reader to critically evaluate a study's overall validity and reliability (Saunders et al., 2019). The following methods were critical to this study:

#### **3.5 Research methods**

Saunders et al. (2019), identifies two main research methods which include qualitative, and quantitative with a third, the mixed methods approach, emerging from a combination of the two. Below is a discussion of the two main methods, followed by the selected method.

##### **3.5.1 Qualitative method**

The qualitative method is concerned with the quality of data throughout the data collection process, by interacting with those that provide the data (participants) in their natural environment. The qualitative method uses interviews to gather data from a relatively smaller sample size. Interviews allows the researcher to be flexible in asking both open-ended and closed-ended questions as well as controlling the flow of discussion questions while providing participants with chance to re-explain their responses. It is important to note that interviews consume more time, and they also require the availability of the

interviewer and interviewee at the same time, which may require some time planning which could be the one of the reasons why sample sizes for qualitative studies are relatively low as compared to quantitative studies small all the time (Kolb, 2008).

### **3.5.2 Quantitative method**

Contrary to the qualitative method, the quantitative method quantifies the research problem and uses quantitative means to solve the problem. Thus, the method generates numerical data and transform or compute the data into statistical expressions (Creswell, 2012). Thus, aspects such as challenges, gathered from a relatively large sample are quantified with results generalized to the larger population of all the tax collectors. According to Saunders et al. (2019), the quantitative research relies on measurable data to formulate facts and uncover patterns in research and are more structured than qualitative data collection methods.

### **3.5.3 Mixed methods – justification of the selected research methods**

Drawing from the above discussion, both quantitative methods have some positive insights, it was not considered as it could not tap into the individual lived experiences of tax collectors regarding the challenges on tax collection. Thus, the study employed the qualitative study, considering that no such study was conducted within eThekweni Municipality. According to Saunders et al. (2019), qualitative research has the unique goal of facilitating the meaning-making process, and this goal was aligned to the aim of this study which sought meaning rather than measurement. In addition to facilitating the processing of making meaning, qualitative research helped in building on the lack of knowledge that exists in this research area of tax collection in a flood induced disaster. For these reasons, the qualitative method was selected. On the other hand, the quantitative tools employed by the study described the characteristics of an existing phenomenon and proceeded to establish and measure relationship. Descriptive studies seek to discover answers to questions relating to the fundamental characteristics that define the research subject. Often it is conducted to advance the broad aims of science

while it is performed to develop knowledge on which the problems and explanations of subsequent research are based.

Descriptive research, however, often goes beyond a mere description of the phenomena. If, for example, the study was interested in the occurrence of mergers and acquisitions and their impact on the staff of affected companies, he/ she may survey a sample of companies involved in mergers and acquisitions and present a descriptive account of the phenomenon. But the researcher may also examine the coping responses of staff in the affected companies and out of the analysis of the data identify a pattern of behaviour at various levels of the organisational hierarchy.

### **3.6 Target Population**

A research population is defined as an aggregation of study elements (such as individuals, artefacts, events, or organisations) from which data was collected providing the basis of analysis (Burns & Grove, 2004; Babbie & Mouton, 2009). For the purpose of this study the population included all the workforce of KZNLA. These included senior managers, middle managers, lower managers, general workforce who have in one way or the other witnessed labour turnover, and who understands what employee morale entails. The population for KZNLA is 167 employees (KZNLA Report, 2019).

### **3.7 Sampling Methods**

Sampling refers to a process of selecting the sample, for the actual participation in the study, from the population using specific sampling methods (Babbie & Mouton, 2009). Sampling methods are divided into two broad categories: **Probability sampling** which align with quantitative methods and **non-probability sampling methods which align with qualitative methods**.

Probability sampling methods use statistical probability theory mostly associated with quantitative and positivistic studies (Curry, et al., 2009; Wiid & Diggines, 2010). The

concept of probability sampling is mainly to obtain a sample that is representative of every element of the population.

In the contrary, non-probability sampling methods are based on subjective judgment of the researcher and selection probability of population elements is unascertainable (Wiid & Diggins, 2010). According to Wiid and Diggins (2010) non-probability sampling methods do not allow for generalisation outside the group of sample units and can only be evaluated subjectively. The interest of this study was in both the intricacies of the sample being studied drawing on theory and practice (that is the experience of the researcher and the evolutionary nature of the research process). Because the study took a mixed method using interviews and questions, it therefore selected probability and non-probability sampling methods.

### **3.8 Sampling techniques**

There are various non-probability sampling techniques available, with the most common being: convenience sampling, snowball sampling, quota sampling, and purposive sampling (Collis & Hussey, 2003; Babbie & Mouton, 2009; Kolb, 2008). Convenience sampling is used when researchers choose any willing and available individuals as participants. In snowball sampling, researchers choose the first participant to match the participant profile and let the participant to then refer other participants with similar characteristics. In purposive sampling the researcher selects participants subjectively and deliberately based on a predefined set of characteristics. A phenomenological and qualitative research is only effective if the right participants are selected (Kolb, 2008). To achieve this desired effectiveness, this study used purposive sampling method, to select participants for the qualitative method with the aim of enabling the researcher to involve only information-rich participants with significant insight, detailed knowledge, or experience in employee morale and labour turnover. For the qualitative method, the researcher selected the qualitative participants based on the following characteristics:

- Five years' experience in as a manager dealing with issues of employee motivation.
- Employees serving notice to terminate their employment with KZNLA.

- All employees who have served for at least 3 years.

Regarding the probability sampling method, several techniques exist, and this include simple random sampling, systematic sampling, stratified sampling, cluster sampling and census sampling technique. Simple random sampling. In simple random sampling each element in the population has an equal and independent chance of being selected as part of the sample. There is no bias or predetermination in the selection process.

In systematic sampling, it is critical to note that often simple random sampling is not practical as it requires a complete population list – something not always possible. Systematic sampling is one statistically valid alternative. In this approach every  $n$ th element (e.g. 5<sup>th</sup> or 8<sup>th</sup>, etc.) in the population is sampled, beginning with a random start of an element in the range of 1 to  $n$  (5 if it is 5<sup>th</sup> or 8 if it is eighth, and so on). Systematic sampling is easier than simple random sampling though it may not be as precise as simple random sampling in the randomness and independence of the selection process.

**In stratified sampling** it is desirable to select a sample to assure that all sub-groups in the population would be represented in proportion to their numbers in the population itself. Stratified sampling assures that the profile of the sample matches the profile of the population.

**In cluster sampling**, in cluster sampling, the sampling unit is not the individual element or member but rather a naturally occurring group of individual members. It is not feasible to study or convenient to select individuals from a wide range of worker settings. It would, for example, either be impractical or impossible to obtain a list of all members of the theoretical population. In this situation cluster sampling would be most practical and convenient: the population is divided into groups of elements either geographically or by some other uniform criterion. Then some groups are randomly selected. Researchers are

generally obliged to opt for cluster sampling when it is the most economical, efficient route in terms of time and money and when it is virtually impossible to establish a reliable sampling frame of individual elements.

In census sampling, all members of the population form part of the sample size. This is appropriate if the population is relatively small to allow the researcher to gather data from the population at minimal cost. Considering that the population for KZNLA is 167 considered relatively small, this study employed the census technique, which means all the employees were eligible to take part in the quantitative study, and there was no need to go through the rigorous sampling techniques and processes.

### **3.8.1.1 Qualitative representation for the study**

Since the study was mixed method, the sampling sizes were two; one for the qualitative study and the other for the quantitative study. For the qualitative study which uses purposeful sampling, the sample size varies depending on the breadth and complexity of the study, although samples are generally smaller than those used in quantitative studies and are studied intensively (Curry, et al., 2009). Purposive sample sizes are often determined on the basis of experience and knowledge from the participants (Family Health International, 2012). For this study, only participants experienced in employee morale/motivation and labour turnover were selected. These included senior managers who had dealt the employee promotions, as well as those employees who tendered their resignations. Thus, the researcher purposively selected a total of 14 individuals which include 8 managers and 6 employees to be interviewed [qualitative study].

Regarding the quantitative study, all the 167 employees formed the sample size in line with the census approach as the sampling technique as explained earlier hence the discussion sampling technique employed became unnecessary. The sample size for the study is as follows:

- Qualitative sample size: 14 participants
- Quantitative sample size: 167 participants

### **3.9 Data Collection Instruments**

There are basically two types of data collection instruments, and these include the interview schedule (semi-structure questions) and the questionnaire (close-ended questions). The two are discussed below leading to the method selected for the study.

#### **3.9.1 The Interview**

Qualitative research requires data of high richness, depth, and quality; and research instruments used in a study ought to fulfil this requirement (Babbie & Mouton, 2009). The researcher followed a semi-structured approach to interviews conducted, by using an interview guide as a chosen research instrument for this study. This interview guide comprised a set of standard themes and questions to be covered in the interviews, but also providing the flexibility for the research probe further views and themes that emerge during the interview. Thus, semi-structured interviews provided the researcher with benefits for both the flexibility of the unstructured and open-ended interview, and with the directionality and agenda of a structured interview guide.

The interview guide had two main sections. The first section (section A) had questions on demographic information about the participants, with the aim of ascertaining participants' eligibility (for example., experience and professional background details) during interviews. The second section of the interview guide (section B) comprised of open-ended interview question the impact on sources of employee morale.

It is critical to note that the interview represented an in-depth data collection technique, which refers to a social interaction between interviewer and respondent, where both parties have an opportunity to clarify questions and responses (Chambliss & Schutt, 2012). In-depth interviews were used, where the senior managers and employees at KZNLA were interviewed based on their experiences, insights and opinions on sources of low employee morale employee. Interviews enabled the researcher the flexibility to ask both open-ended questions; have control on the order in which questions are asked and answered, and to provide participants with opportunity to clarify interpretations of questions. Interviews were conducted in person and telephonically where participants

were not available for a face-to-face interview. Participants' involvement was requested via email and when consenting, an interview appointment was set confirming date, time, and venue (when not telephonic). Time taken for each interview ranged between 25 and 35 minutes.

### **3.9.2 The questionnaire**

Regarding the quantitative study, the data collection techniques is generally the questionnaire. Questionnaires are most widely used in surveys with descriptive and inferential purposes. The appropriateness of questionnaires as research tools, however, must be carefully examined in the context of each study. Saunders et al. (2010:280) maintain that it is generally good practice not to rely solely on questionnaire data but to use the questionnaire in conjunction with at least one other data collection instrument. For example, a questionnaire complemented by in-depth interviews, which is why this study opted for a mixed method. This study employed a Likert scale type of questionnaire.

### **3.10 Data analysis**

The study employed two analysis techniques that include manual thematic analysis for qualitative data, and the SmartPLS 4 statistical analysis for quantitative data.

#### **3.10.1 Qualitative data analysis**

Regarding qualitative study, descriptive qualitative data was collected from interviews. A non-quantifying manual approach was taken in analysing data and no statistical analysis was considered relevant (Collis & Hussey, 2003). In particular, data analysis method used in this section was thematic analysis, which enabled the researcher to move the analysis from a broad reading of the data collected through interviews towards discovering patterns and developing themes (Harvard, 2008). Thematic analysis, while it minimally organises and describes data set in rich detail, was also relatively easy to conduct without prior detailed theoretical and technical knowledge of the method, which was of great benefit to the researcher (Braun & Clarke, 2006).

The use of purposive sampling, qualitative interviews and phenomenological approach to this study allowed data review and analysis to be done in conjunction with data collection (Collis & Hussey, 2003; Babbie & Mouton, 2009). Data analysis was therefore in continuous iterations of note compilations based on thoughts and reflections of the researcher, data reduction of interview notes, as well as categorising the data from all interviews and linking it to other data sources. A theme reflects a pattern, or meaning, that emerges from the research data set, which embodies critical aspects responding to a research question. (Braun & Clarke, 2006). The tabular format was suitable for displaying reduced data in an organised and orderly manner, which assisted when discerning patterns and establishing connections of themes and patterns, and any other further analysis of data.

### **3.10.2 Quantitative data analysis**

With regards to the quantitative data analysis, the data was coded and exported to SmartPLS 4 statistical tool. The SmartPLS 4 statistical software is a software with graphical user interface for variance-based structural equation modelling (SEM) using the partial least squares (PLS) path modelling method. Users can estimate models with their data by using basic PLS-SEM, weighted PLS-SEM (WPLS), consistent PLS-SEM (PLSc-SEM), and sum scores regression algorithms. This was critical when determining whether or not there is a link between job satisfaction or inclination to resign. It is critical to note that, the SmartPLS4 is the newest software model released to the general public in 2022 is an easy-to-use tool for Structural Equation Modelling. To estimate the model in SmartPLS, the model has to be estimated at two levels that include the measurement model assessment and structural model assessment. Measurement Model assessment involves several steps that includes the assessment of quality criteria that includes the evaluation of factor loadings, construct reliability, construct validity. The criteria for factor loadings are 0.70, any items with loadings less than 0.70 may be considered for removal, if removing the items can improve the reliability and validity over the required threshold. Further Construct reliability is assessed using Cronbach Alpha and Composite Reliability, the required value for both is 0.70. Further, construct validity is assessed using

convergent validity (AVE > 0.50) and Discriminant validity (Fornell & Larcker Criterion and Heterotrait-Monotrait Ratio).

Next, after measurement model assessment structural model was assessed to substantiate the proposed outcome. This can include direct, indirect, or moderating relationships. SmartPLS4 is an increasingly used tool for SEM that can help model simple and complex model.

### **3.11. Validity and reliability**

All research requires validity and reliability in order to obtain trustworthiness. Validity refers to extent to which the research findings accurately and adequately reflect real meaning of the concept under consideration (Collis & Hussey, 2003; Babbie & Mouton, 2009). Research reliability refers to the ability to obtain the same results if the research were to be repeated or undertaken by any researcher (Collis & Hussey, 2003). The above validity relates to quantitative data.

For qualitative study, on validity and reliability is about, trustworthiness in qualitative research is ascertained based on credibility, transferability, dependability, and conformability (Lietz & Zayas, 2010).

Credibility refers to the degree to which a study's findings represent the meanings of the research participants (Lincoln & Guba 1985 as cited in Lietz & Zayas 2010). In this study, credibility was obtained through ensuring that data collected and findings from the study tightly link back to participants own experiences, insights, and evidence in employee morale, with particular emphasis on the notion of labour turnover. To ascertain this, only employees/managers qualified as participants in this study. The researcher also persistently pursued interpretations of the various aspects of labour turnover, and employee morale in different ways from participants.

According to Babbie and Mouton (2009), transferability is the extent to which results of the research apply to other contexts, settings or respondents (Babbie & Mouton, 2009).

Findings of this study and recommendations made thereafter focused on employee morale in general as well as to labour turnover and organisational performance.

According to Shenton (2004), dependability is about reflecting evidence that if the same study is repeated - in the same context, methods, and participants - then similar results would be obtained. For this purpose, the researcher provided a full description of participants (in terms of experience and background, as well as attitude towards the value add of this study) and full description of data collection and analysis methods.

Confirmability refers to the extent to which the findings of a study are the results of the experiences, insights, and ideas of research participants, rather than the researcher's own characteristics and preferences (Shenton, 2004). In this study, confirmability was achieved through keeping record of and linking various sets of data on which the findings are based. These includes raw data of interview notes and researchers' personal notes; data reduction and analysis notes; compilations of themes that emerged from the data. Moreover, to reduce the researcher's bias, data collected from interviews was triangulated with literature review, and quantitative study.

On the other hand, quantitative validity and reliability was ensured by calculating The Cronbach's alpha values. The Cronbach's alpha is a way of assessing reliability by comparing the amount of shared variance, or covariance, among the items making up an instrument to the amount of overall variance. Analysts frequently use 0.7 as a benchmark value for Cronbach's alpha. At this level and higher, the items are sufficiently consistent to indicate the measure is reliable. Typically, values near 0.7 are minimally acceptable but not ideal.

### **3.12 Trustworthiness of the study**

Instead of depending on validity and reliability aligned to quantitative study, the qualitative study relies on trustworthiness in qualitative research is ascertained based on credibility, transferability, dependability, and conformability (Lietz & Zayas, 2010).

Credibility refers to the degree to which a study's findings represent the meanings of the research participants (Lincoln & Guba 1985 as cited in Lietz & Zayas 2010).

- **Credibility**

In this study, credibility was obtained through ensuring that data collected and findings from the study tightly link back to participants own experiences, insights on employee morale, with particular emphasis on labour turnover. To ascertain this, only participants who had lived experiences on labour turnover qualified as participants in this study. The researcher also persistently pursued interpretations of the various aspects of employee morale, labour turnover and effect on organisational performance in different ways from participants. For example, participants were requested to explain the sources of employee morale and comment on how low employee morale affects labour turnover and performance.

- **Transferability**

According to Babbie and Mouton (2009), transferability is the extent to which results of the research apply to other contexts, settings or respondents (Babbie & Mouton, 2009). Findings of this study and recommendations made thereafter focussed on employee morale, effect on labour turnover, which was also transferrable organisational performance.

- **Dependability**

According to Shenton (2004), dependability is about reflecting evidence that if the same study is repeated - in the same context, methods and participants - then similar results would be obtained. For this purpose, the researcher provided a full description of participants (in terms of experience and background, as well as attitude towards the value add of this study) and full description of data collection and analysis methods.

- **Confirmability**

Confirmability refers to the extent to which the findings of a study are the results of the experiences, insights and ideas of research participants, rather than the researcher's own characteristics and preferences (Shenton, 2004). In this study, confirmability was achieved through keeping record of and linking various sets of data on which the findings

are based. These included, raw data of interview notes and researchers' personal notes; data reduction and analysis notes; compilations of themes that emerged from the data; electronic copies business rescue plans analysed and interview guide used. Moreover, to reduce the researcher's bias, data collected from interviews was triangulated with literature review and a real tabulation on the actual numbers reflecting labour turnover at the liquor authority.

### **3.13 Ethical considerations**

Ethical considerations were not only an important part of this study, but a requirement imposed upon the researcher by the Graduate school of business and leadership. Ethical measures in this study included consent, confidentiality and anonymity, privacy, dissemination of results and the right to withdraw from the study. An invitation to participate in this study was sent to eligible individuals, with assurance from the researcher that confidentiality, anonymity, and privacy were upheld throughout the study and on the research report. Consent was obtained from individuals willing to participate in this study before interviews could take place". Due to the sensitive nature of some of the information discussed during interviews, the research also paraphrased and consolidated some responses from multiple responses in order to ensure that no response could be easily traced back to a specific individual. Each participant was allocated a unique code that cannot be linked back that participant's identity, so as to ensure anonymity in data collected. In other words, no participant names or contact details were attached to the data collected in this study. For the purpose of privacy, any personal information linked to a participant was safely kept by the researcher and not shared with anyone, and this information was used strictly for the purpose of this study alone. The raw data that was be shared with the supervisor of the Graduate School of Business and Leadership comprised of codes instead of actual names of participants.

### **3.14 Chapter conclusion**

This chapter discussed the research design and methodology with a view to provide an overview of the methods employed to collect primary data for the study. Some of the key

sections discussed include the research design, philosophy, population, sampling method, techniques, and sample size. In addition, data collection instruments, administration of the research instrument as well as the ethical considerations were discussed. The next chapter presents the findings and discussion of results prior to the final chapter.

## CHAPTER 4: STATEMENT OF RESULTS AND FINDINGS

### 4.1 Introduction

This chapter presents the investigational outcome of the mixed study. The analysis was performed at the lab using the SmartPLS 4 statistical software for the quantitative objectives 1 and 4, while the thematic analysis was used for the qualitative objective 2. To this end, the SmartPLS 4 results of the structural equation model (SEM), enabled descriptive statistics and latent variables analysis among the experimental results for the quantitative aspect. The thematic theme syntheses and groupings for common indications formed the basis for the qualitative interpretation.

### 4.2 Biographical information

In investigating some managerial sources similar to this study, many studies (Borgia and Newman 2012; Nawi 2018), looked at the education, years of experience, ethnicity (race), and age of the participants in order to be able to determine how this influence the outcome at a study.

The demographic section is segmented as follows: -

- (a) The biographical information of the respondent, section ;(b) The impact of employee morale on labour turnover at the KwaZulu-Natal liquor authority, section;
- (c) Identification of the sources of low employee morale at the KwaZulu-Natal liquor authority, and
- (d) The relationship between employee morale and organizational performance at the KwaZulu-Natal liquor authority. These responses are analysed at various parts of the study to meet its objectives. In all, responses were collected showing the following characteristics:

**Table 4.1: Biographical data**

<b>Section A Biographical data</b>	
<b>Age group</b>	
21-30	16 = 9.58%
31-40	46 = 27.54%
41-50	64 = 38.32%
50+	41 = 24.55%
<b>Years of service</b>	
1-5 years	18 = 10.79%
6-10 years	69 = 41.32%
11-20 years	48 = 28.74%
20+ years	32 = 19.16%
<b>Highest qualification</b>	
Matric	8 = 4.79%
National Diploma	66 = 39.52%
Degree	58 = 34.73%
Honours Degree	25 = 14.97%
Masters	10 = 5.99%
<b>Position</b>	
General Worker	15 = 8.98%
Admin	65 = 38.92%
Lower Management	41 = 24.55%
Middle Management	21 = 12.57%

Senior Management	25 = 14.97%
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**Source; Author compilation**

### **Age group**

Table 4.1 shows age group patterns with the middle aged with those between 41 – 50 age group reflecting 38.32% of the KZNLA workforce. The 31 – 40 age group follows this with 27.54% of the workforce. The youth are the least represented that is the 21 – 30 age group with 9.58%, while those above 50 years occupy 24.55% of the KZNLA workforce. Considering that South Africa, as a country focuses on proving employment to the youth, the results under this section shows the contrary as KZNLA employs more elderly employee as opposed to the youth population which points to a subdue generational mix, diversity and inclusion. Management may need to look into this going forward.

### **Years of service:**

Regarding years of service, 41.32% of the KZNLA workforce have served for a period between 6 -10 years followed by 28.74% who have served between 11 – 20 years with 19.16% having served above 20 years. About 10.79% have served between 1 – 5 years.

### **Highest qualification:**

Generally, KZNLA has a literate workforce with at least a matric certificate. Interestingly, 39.52% of the workforce hold a diploma qualification which is a good thing for the organisation, followed by 34.73% with a degree qualification, 14.97% an honours qualification and 5.99% with a master’s qualification. In the overall, the employees are qualified, which could mean that they expect to be paid a salary that matches their qualifications.

### **Employment level:**

Consideration employment level, KZLA employs more administrators with a 38.92%. followed lower level managers with 24.55% of the workforce. Middle managers occupy 12.57% of the workforce while senior managers occupy 14.97% with general workers occupying 8.98%.

### 4.3 Analysis of quantitative research objectives

To address objectives 1 and 3 of the study, it consistent that the SmartPLS 4 statistical software “which is a predictive and also a confirmatory factor analysis (CFA) tool was used to resolve the objectives before they are correlated with a qualitative tactic. Thus, the SmartPLS 4 statistical software was used to address objectives 1 and 3 since they can be better addressed by quantification while objectives 2 was based on qualitative analysis. The manifest variables that were used to address the quantitative sections were reflected under table 2.

**Table 4.2: Manifest variable description**

	Mean	Median	Observed min	Observed max	Standard deviation	Excess kurtosis	Skewness	Number of observations	Mises test	Cramér-von Mises p value
MPo/EmMR3	3.396	4.000	1.000	5.000	1.425	-1.409	-0.272	134.000	1.220	0.000
MPo/EmMR4	3.097	3.000	1.000	5.000	1.298	-1.259	0.066	134.000	0.946	0.000
MPo/EmMR5	3.201	3.000	1.000	5.000	1.331	-1.333	-0.012	134.000	0.956	0.000
SLwEmpMR1	3.888	4.000	1.000	5.000	1.262	-0.604	-0.846	134.000	1.819	0.000
SLwEmpMR7	3.485	4.000	1.000	5.000	1.063	-0.955	-0.281	134.000	1.184	0.000
SLwEmpMR8	3.478	4.000	1.000	5.000	1.164	-0.701	-0.520	134.000	1.267	0.000
SLwEmpMR9	3.313	4.000	1.000	5.000	1.230	-1.009	-0.303	134.000	0.964	0.000
EmpMR/OP5	3.978	4.000	1.000	5.000	1.143	0.899	-1.231	134.000	1.665	0.000
EmpMR/OP6	3.903	4.000	1.000	5.000	1.227	0.302	-1.112	134.000	1.672	0.000
MPo/EmMR3	3.396	4.000	1.000	5.000	1.425	-1.409	-0.272	134.000	1.220	0.000
MPo/EmMR4	3.097	3.000	1.000	5.000	1.298	-1.259	0.066	134.000	0.946	0.000
MPo/EmMR5	3.201	3.000	1.000	5.000	1.331	-1.333	-0.012	134.000	0.956	0.000

Source: author compilation

From the table 4.2, the mean, median, standard deviation, excess kurtosis and the skewness of the variables are displayed. These show how the variables were distributed according to the respondent’s outlook of the questions posed to them. Given the values

from the table which lies between +/-1 and 5, the study's variable was *normally* distributed.

#### **4.3.1. Measurement model**

The toughness of the measurement model can be demonstrated through procedures of discriminant and convergent legitimacy (Hair *et al.* 2012). Convergent credibility is generally assessed making use of 3 tests: integrity of questions, composite reliability of constructs, and also variance extracted by constructs (Creswell, 2018). Discriminant legitimacy can be analysed by taking a look at connections amongst the concerns (Fornell and Larcker 1981) along with variations and covariances amongst constructs (Creswell, 2018).

The confirmatory factor analysis (CFA) of the study's constructs were checked with the SmartPLS 4 software to assess whether the widely approved standards for integrity as well as validity were met. The integrity was determined by the quote of inner uniformity and also composite integrity. In order to approximate just how constant a respondent reply to questions within a range, composite reliability (CR) was used (Shin 2009). This provides a much more retrospective approach of total reliability measure of a construct in the measurement questions as well as approximates consistency of the aspect itself, consisting of stability and equivalence of the variable (Roca, Garcia and De La Vega 2009; Suki 2011). CR is approximated to stand for connections between an item on the questionnaire and factor following suggestions by Henseler, Ringle and Sinkovics (2009).

#### **4.4 Results aligned to objective 1: Assessing the impact of employee morale on labour turnover at the KwaZulu-Natal liquor authority.**

This objective which sought to assess the impact of employee morale on labour turnover was quantitatively addressed firstly by calculating the Cronbach's alpha values to determine reliability of the instruments that were used to assess the impact on employee morale as well as those sources on labour turnover.

Table 4.3 Reliability measurements:

	Emp MR	Lab TOver
MPo/EmMR3		0.905
MPo/EmMR4		0.933
MPo/EmMR5		0.883
SLwEmpMR1	0.711	
SLwEmpMR7	0.833	
SLwEmpMR8	0.876	
SLwEmpMR9	0.894	

Source: Author compilation

As shown in the Table 4.4, all values of CR were above 0.7, which suggests that all variables have great reliability (Saunders et. al, 2019). As well as the Cronbach's alpha values (0.849 and 0.893) failed to meet the cut-off points.

Table 4.4: Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Emp MR	0.849	0.855	0.899	0.692
Lab TOver	0.893	0.895	0.933	0.824

Emp MR: Employee Morale, Lab Turnover: Labor Turnover

The constructs legitimacy informs whether a measuring instrument was really able to produce what it was meant to determine (Saunders, 2019). The instrument's credibility was measured by the quote of convergent validity which shows the degree to which items of a specific question represent the very same variable and is gauged making use of a

standard variable loading, which need to be above 0.5 (Fornell and Larcker 1981). From table 4.4, it is crystal clear that all the loadings of the constructs exceed this cut-off point of 0.5, hence, convergent validity is proven. This also shows how distinct each of the final concepts of KZNLA–of this study construct is from each other (discriminate validity) to measure what they were really meant to determine (Raykov 2011).

**Table 4.5: Factor AVE and correlation measures**

	Emp MR	Lab TOver
Emp MR	(0.832)	
Lab TOver	0.730	(0.907)

Source; Author compilation

From Table 4.10 all items or loadings (Values in brackets) are expected to be greater than 0.5 on their particular aspects, to proof of appropriate convergence validity. This differentiate the legitimacy of the constructs (discriminate validity) to show the extent to which a given element is genuinely distinct from various other variables (Suki 2011). A frequently used statistical step of discriminant credibility is a comparison of the Average Variance Extracted (AVE), with the associated settled root (Saunders, et al. 2019). In order to pass the examination of discriminant validity, the AVE of factor need to be above the square root of the inter-factor relationships as seen in Table 6.10 (Creswell, 2018).

The AVE determines the amount of variation that a factor captures from its dimension items (Saunders, 2019). Table 6.10 reveals the AVE values as well as the correlations among elements, with the square origin of the AVE in bold. The angled values go beyond the inter-factor connections; it can therefore be presumed that discriminate legitimacy is served. This study therefore concludes that its measurement scales have sufficient validity and show high reliability after computing AVE (Henseler, Ringle and Sinkovics 2019).

#### 4.4.1. Model's Fit

The overall philosophy behind the objectives 1 and 3 as captured by the quantitative questionnaire create models which are depicted in figure 4.1 and 4.2. These can be judged based on how well the models fit the data that was used for the quantitative aspects. They are assessed using measures of SRMR and d\_ULS among others. The extent of goodness of fit in a model examines the inconsistency between the empirical correlation matrix and the model-implied relationship matrix whereby, the lower the values, the much better the fit between the recommended model and also the information (Demirkesen and Ozorhon 2017). Overall, the SRMR value must be less than 0.080 to accept the fit between the proposed version and the data (Demirkesen and Ozorhon 2017). In all the three cases below, these were not met. However, when SRMR value of the estimated model is below one (1), the model can still be considered to fit well with the data or well fashioned (Demirkesen and Ozorhon 2017). This is exactly the case with all the two fashioned models (Tables 4.6, and 4.10) of this study. The Tables display the values for one's own assessment.

**Table 4.6: Model fit summary**

	Saturated model	Estimated model
SRMR	0.081	0.081
d_ULS	0.182	0.182
d_G	0.117	0.117
Chi-square	89.403	89.403
NFI	0.861	0.861

Source: Author compilation

**Table 4.7: Model implied saturated correlation matrix**

	R1 MPo/EmM	R2 MPo/EmM	R3 MPo/EmM	R4 MPo/EmM	R5 MPo/EmM	R1 SLW/EmPM	R2 SLW/EmPM	R3 SLW/EmPM	R4 SLW/EmPM	R5 SLW/EmPM	R6 SLW/EmPM	R7 SLW/EmPM	R8 SLW/EmPM	R9 SLW/EmPM
MPo/EmMR1	1.000													
MPo/EmMR2	0.309	1.000												

MPo/EmMR3	0.375	0.619	1.000											
MPo/EmMR4	0.383	0.632	0.767	1.000										
MPo/EmMR5	0.364	0.601	0.728	0.744	1.000									
SLwEmpMR1	0.261	0.431	0.522	0.534	0.507	1.000								
SLwEmpMR2	0.221	0.364	0.442	0.452	0.429	0.464	1.000							
SLwEmpMR3	0.178	0.294	0.356	0.364	0.346	0.374	0.316	1.000						
SLwEmpMR4	0.261	0.430	0.522	0.533	0.507	0.548	0.463	0.373	1.000					
SLwEmpMR5	0.147	0.242	0.294	0.300	0.285	0.308	0.261	0.210	0.308	1.000				
SLwEmpMR6	0.132	0.218	0.264	0.270	0.256	0.277	0.235	0.189	0.277	0.156	1.000			
SLwEmpMR7	0.274	0.453	0.549	0.561	0.533	0.576	0.487	0.393	0.575	0.324	0.291	1.000		
SLwEmpMR8	0.285	0.471	0.571	0.584	0.554	0.599	0.507	0.409	0.599	0.337	0.303	0.630	1.000	
SLwEmpMR9	0.290	0.479	0.580	0.593	0.563	0.609	0.515	0.415	0.609	0.342	0.308	0.640	0.666	1.000

**Source; Author compilation**

The model implied saturated correlation matrix shows the statistical relationship between the various variables used in this study. The matrix above shows correlation coefficient, where 1 is considered a strong relationship between variables, 0 a neutral relationship and -1 a not strong relationship. For example, the correlation between MPo/EmMR2 and MPo/EmMR1 is 0.309. Compared to the correlation between SLwEmpMR9 and SLwEmpMR7 which is 0.666, the study can conclude that the statistical relationship between the later variable is stronger (0.666) than the former (0.309). This helps management to focus attention on the sources to concentrate on in the organisation. Since there is no weak relation in the matrix above, management need to be encouraged to use the variables correctly.

**OBJECTIVE 3: To critically assess the relationship between employee morale and organizational performance at the KwaZulu-Natal liquor authority.**

To assess the relationship, the study performed a quantitative analysis, and following the explanations provided above, the equivalent tables aligned to objective 3 are presented as follows:

**Table 4.8: Loadings, cross-loadings, and reliability estimations**

	Emp MR	Org PERF
EmpMR/OP5		0.966
EmpMR/OP6		0.969
MPo/EmMR3	0.902	
MPo/EmMR4	0.924	
MPo/EmMR5	0.896	

**Source: Author compilation**

It is clear that, the values for the reliability estimations for objective 3 meets the cut-off points of 0.5 entailing reliability of instruments.

**Table 4.9: Construct reliability and validity**

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Emp MR	0.893	0.895	0.933	0.823
Org PERF	0.931	0.933	0.967	0.936

**Source: Author compilation**

From table 4.8, the constructs legitimacy was really able to process what it was meant to determine (Raykov 2011) as displayed by the Cronbach's alpha, Composite reliabilities (rho\_a) and (rho\_c) and finally the Average variance extracted (AVE).

**Table 4.10: Factor AVE and correlation measures**

	Emp MR	Org PERF
Emp MR	(0.907)	
Org PERF	0.631	(0.967)

**Source: Author compilation**

The correlation measures in the diagonal (in the brackets) again shows the efficacy of the measurement model.

**Table 4.11: Model implied saturated correlation matrix**

	EmpMR/OP 5	EmpMR/OP 6	MPo/EmMR 3	MPo/EmMR 4	MPo/EmMR 5
EmpMR/OP 5	1.000				
EmpMR/OP 6	0.936	1.000			
MPo/EmMR 3	0.549	0.551	1.000		
MPo/EmMR 4	0.563	0.565	0.833	1.000	
MPo/EmMR 5	0.545	0.547	0.808	0.828	1.000

**Source: Author compilation**

The implied saturated Model correlation matrix for the chosen variables to address objective 3 is equally appropriate ones.

**Table 4.12: Model fit summary**

	Saturated model	Estimated model
SRMR	0.052	0.052
d_ULS	0.041	0.041
d_G	0.089	0.089
Chi-square	76.555	76.555
NFI	0.848	0.848

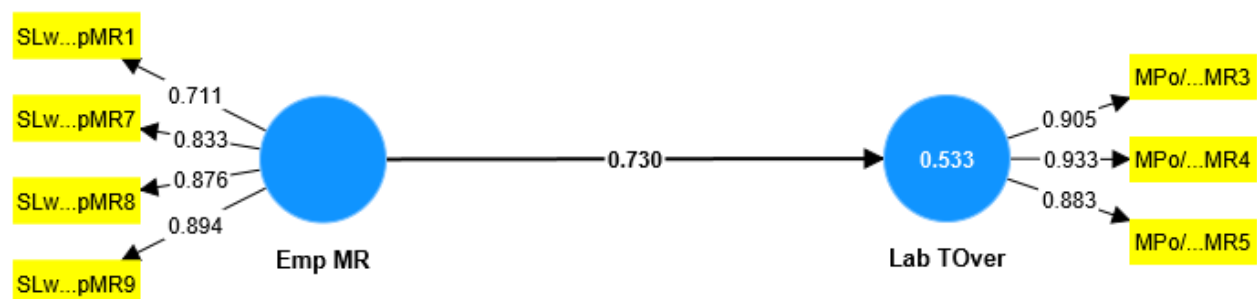
**Source; Author compilation**

From the above values in table 4.12, the model for objective three (3) is also appropriate that does not need a redesign.

#### 4.4.2. Structural model

The philosophical structural model displayed in Figures 4.1 and 4.2 were generated and tested in the lab with the SmartPLS 4, after the above confirmations of reliability and validity tests. As already explained, the variance ( $R^2$ ) of each dependent (endogenous) factor is an indication of how well the philosophy behind the model fits the data.  $R^2$  showing the amount of variance in a dependent factor, that is explained by the investigation model, and the assessment is to validate the model fitness, which is again, the model's validity. The overall fit and explanatory power were examined with the relative strengths of the individual causal path in terms of values and statistics. Figures 4.1, and 4.3 for Objective 1 and 3 respectively shows the experimental results of the study.

**Figure 4.1: Impact of employee morale on labour turnover**



**Source: Author compilation**

### Structural model for objective 1

The efficacy of the sources tested in the empirical analyses are determined by the support each path (positive or negative) contributes towards the exogenous sources as well as the statistical significance of the P-value associated with the corresponding paths (Table 4.13). With the path coefficients of the below values, the model can be said to be doing well. In other words, the sources selected to investigate the KwaZulu-Natal liquor authority are **good and effective**.

Table 4.14: Path Coefficients of **objective 1**- Mean, STDEV, T-Values, P-Values

**Table 4.13: Mean, STDEV, T values, p values**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-statistics ( O/STDV )	P-values
Emp MR -> Lab Tover	0.730	0.734	0.040	18.467	0.000

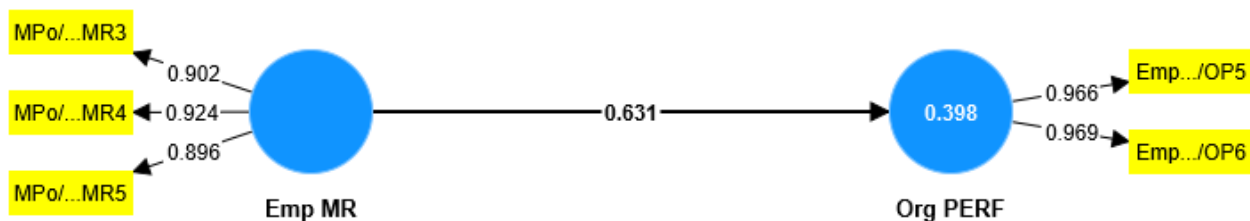
**Source: author compilation**

From table 4.13, employee morale (Emp MR) effect on labour turn over (Lab Tover) is ( $\beta=0.730$ ) with a strong statistical influence of ( $p=0.000$ ). This means the rate of labour turn over in the KwaZulu-Natal liquor authority is directly **dependent on employee morale**. Thus, it can be said that the path modelling is supported and will surely contribute to the measurement of the two relationships.

### Objective 3: The relationship between employee morale and organizational performance at the KwaZulu-Natal liquor authority

The diagram (Figure 4.2) shows the effect of employee morale on organisational performance. As evinced from table 4.14, this was ( $\beta=0.631$ ) with a statistical power of ( $p=0.000$ ). Here again, Employee morale is shown to have a strong influence on organisational performance suggesting that management ought to pay attention to this and put the correct policies in place to increase the Emp MR if they expect better performance than the one measured in figure 4.2. These findings are aligned to Sauermann and Cohen (2018) on morale and performance. According Sauermann and Cohen, (2018), positive morale is usually characterized by discipline, confidence and willingness to perform. Low morale can be attributed to many factors such as job insecurity, lack of fair compensation policy, uncertain business conditions, and excessive outsourcing practices. Low morale affects company income, productivity, financial competitiveness, and organizational objectives (Abuhamdeh, &Csikszentmihalyi, 2019). Interestingly, low morale is an outcome of managerial behaviour where managers address their employees from a top-down command and refuse to communicate directly on workplace issues (Abuhamdeh, &Csikszentmihalyi, 2019). This kind of communication results in a gap between employees and managers, which in turn leads to employee distrust, disrespect, and reduction of morale and workforce motivation (Chungsup, Jarrod, Robin, & Laura, 2022). Low morale also causes employees to lose interest, especially when managers don't appreciate their efforts and the tasks performed (Chungsup, Jarrod, Robin, & Laura, 2022). A costly indicator of low morale is high employee turnover. This happens when employees leave their jobs because they feel unhappy and have no incentives to stay.

Figure 4.2: The relationship between employee morale and organizational performance at the KwaZulu-Natal Liquor Authority



### Structural model for objective 3

Source: Author compilation

The resultant outcome of figure 4.2 is shown in table 14 as calculated by the SmartPLS-SEM clearly demonstrates that employee morale at the KZNLA has a strong influence on organisational performance.

**Table 4. 14: Mean, STDEV, T values, p values**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Emp MR -> Org PERM	0.631	0.629	0.055	11.385	0.000

Source: Author compilation

From the Path Coefficients displayed in table 14, the Sample mean (M) is 0.629, Standard deviation (STDEV), 0.055, and T-statistics (|O/STDEV|) is 11.385. Again, these are good indication of the model fit.

#### 4.5. Analysis of qualitative research objective 2: The sources of low employee morale at the KwaZulu-Natal liquor authority (KZNLA)

This section presents the findings using manual thematic format following the data gathered from the interview process as discussed in chapter three. For this objective to be achieved, it was reasoned that, a qualitative exploratory discussion be held with seven (7) respondents to understand their views. Respondents expressed their views on sources of low employee morale. The table below shows 3 main and themes which emerged from the interview narratives with each theme analysed and discussed under the respectively.

**Table 4.13 Study themes from manual thematic analysis**

<b>Manual thematic analysis</b>	
<b>Main Themes</b>	<b>Sub-themes</b>
<b>1. Theme: Human capital-oriented managerial acumen</b>	1.1 Dismissals conducted at work. 1.2 Overworked. 1.3 Lack of recognition
<b>2. Theme: Job-related triggers of engagement or disengagement</b>	1.4 Low salary 1.5 Lack of benefits 1.6 Lack of growth
<b>3. Theme: Structural and systemic changes</b>	1.7 Lack of clear organisational structure 1.8 Poor communication 1.9 Lack of consultation on rationalisation

**Source: Author compilation**

**QUESTION: Could you please outline the sources or reasons for low employee morale at KZNLA?**

This interview question was asked to tap into the views of employees regarding the sources or reasons for low employee morale.

#### **4.5.1 Main Theme 1: Managerial sources**

As depicted on table 4.13 above one of the main sources of low employee morale at KZNLA was a managerial source, and under it lie other subthemes as sources which include dismissals conducted by management”, being overworked and lack of recognition for their effort during their employ at KZNLA. Each of the subtheme is discussed below:

- **Subtheme 1: Dismissals conducted by management.**

Under this subtheme, respondents narrated the environment at the KZNLA was unfavorable because of the increasing employee dismissals conducted management

**Responded 2 stated that: -**

*Morale in this organization is low because we fear the dismissals that are conducted by our senior managers.*

*Furthermore, responded 10 explained that: -*

*Dismissals in the organization have derailed employee morale and enthusiasm.*

*Responded 8 also added that:*

*“Dismissals are increasingly becoming the reasons why the morale is low in this organization”.*

These findings send a clear message to the senior managers at KZNLA, regarding the way dismissals are being conducted. The findings agree with studies by Masilela (2018) which stresses negativity of dismissals on employee morale which should not be underestimated. Morale affects the well-being of employees, influencing the quality of employee workplace performance, labour productivity of employees, quality of work life and eventually profitability of the business. Empirical studies on the effect of dismissal on employee morale have also indicated that organisations with high morale generate higher profits; are more stable; have improved labour productivity and have generally happy employees (Masilela, 2018:3).

- **Subtheme 2: Being overworked.**

Under this subtheme, respondents revealed that they were being overworked as a result their morale is low.

**Responded 14 explained that: -**

*“My workload is too much, I do not have even take leave – if I go on leave, I will find the work waiting for me.”*

**Responded 3** argued that: -

*“I do everything here, to the extent that I don’t even accomplish my task goals”.*

**Responded 10** narrated: -

*“One of the main things lowering employee morale in this organization is the workload as majority of the employee’s in my view are being overworked and management does not seem to help us”.*

It is clear from the narratives that the workload is generally above the norm. The findings are consistent with Vanchapo, (2020) who echoed that when the workload given exceeds the capabilities and the associate rewards of an individual where an employee or employees will experience pressure from the work undertaken, the cause can be due to too many tasks assigned to employees or from the conditions of the work environment. An employee who experiences such adversarial conditions in a workplace environment will have a negative impact on employee performance resulting in less efficiency and below par workmanship (Vanchapo, 2020).

- **Sub-theme 3: Lack of recognition**

Respondents also revealed that they felt that they were not being recognized for their effort.

**Respondent 5** narrated that: -

*“I have been working hard over the years, covering more than one role and when it comes to promotion, there was no recognition given to me”.*

**Respondent 7** explained:

*“I have attained with relevant degree qualifications but was not even recognized for achieving such a qualification and I continue to wonder if advancing with education is recognized at the KZNLA”.*

**Respondent 9** revealed that his effort was not being recognized, and had this to say: -

*“I have been on this position for several years and when I apply for promotion, my application is turned down, hence I continue earning the same salary that I earned a decade ago”.*

These findings are in line Van Woerkom, Kroon (2020) on employee recognition. They corroborated that employee recognition is a constructive feedback behavior adopted by the leader based on the value judgment of individual employees, including work performance, work investment, and dedication. Studies have confirmed that there was a positive correlation between employee recognition and many positive outcomes of the organization (Peterson, and Luthans, 2016). Existing studies have shown that leaders' recognition and performance appraisal are positively related and reciprocal to employee morale (Pichler, 2020). When employees recognition by leaders is visible, employees often feel that leadership is fair and just, which is regarded as a manifestation of organizational justice (van Woerkom et al. 2020). The recognized employees will be willing to and able to pay more effort to engage in the tasks, improving their work efficiency and performance (van Woerkom et al. 2020).

#### **4.5.2 Main Theme 2: Job -related sources**

As reflected on table 4.4 above one of the main sources of low employee morale at KZNLA was Job -related sources, and under it lie employees revealed low salaries, lack of benefits, and lack of growth during their employ at KZNLA.

- **Subtheme 4: Low salaries**

**Respondent 14** opined that: -

*Our salaries are too low in my view, and I think this is one of the reasons why employee morale is low in this organization.*

**Responded 10** posited that: -

*“In this organization, we earn, we earn very low salaries which I believe is the reason for low employee morale”.*

**Responded 12** remarked that: -

*“If only management could review our low salaries, this could raise the employee morale that has become a challenge for KZNLA”.*

The findings send a clear message to KZNLA managers that the salaries are very low and as a result they are leading to low employee morale which could affect organizational performance and ultimate resignations. The issue to do with salaries can be further explained by the offering of what are known as piece rates within the organization. Jackson and Franks (2014) explain that piece rates are the reward method when the organization offers remuneration based on the completion of work which can be distributed into key performance indicators. Having a good salary is not enough if one does not have a clear view of where they are heading with the organization (Adams, Perkins, & Mayfield, 2014)

- **Subtheme 5: Lack of benefits**

Respondents argued that KZNLA does not offer attractive benefits to keep employee morale levels high.

**Respondent 1** explained: -

*“There is lack of benefits like housing loans, vehicles loans, and soft loans to help employees facing financial challenges”.*

**Respondent 6** argued: -

*“We as employees, we have no meaningful incentive – we expect attractive pension schemes, medical aid and housing loans”.*

**Respondent 8** narrated: -

“If only the KZNLA can afford good packages on housing, vehicle and medical insurance schemes, low employee morale could be a thing of the past”.

Globally, the concept of employee morale is used to describe an employee’s life during her/his employment within a particular organization, how one is satisfied with life, the dominance of positive moods and emotions and minimal levels of adverse effects (Salas-Vallina, Alegre & Fernandez, 2016, Cui, Davis & Huang, 2016). Morale is identified to have numerous benefits; thus, it is appropriate to feel and pursue morale (Chancellor, Layous & Lyubomirsky, 2015). An employee’s morale is high when s/he regularly experiences positive emotions such as joy, satisfaction, contentment, enthusiasm, and interest (Proto, 2016, Oswald, Proto & Sgroi, 2015).

- **Subtheme 6: Lack of growth**

Respondents expressed their emotional feeling on lack of growth at KZNLA.

**Respondent 3** narrated: -

*“I have joined this organization for the past 12 years and until today I have not been promoted, and this frustrates me a lot”.*

**Respondent 5** revealed: -

*“I have been looking around for promotion prospects within my department, and I see no promotion prospects as there is a ceiling in terms of growth”.*

**Respondent 9** described that: -

*“In this organization, you are appointed to stay at the entry level, and you do not go up because the organizational structure does not allow for promotion, this must be corrected in my view”.*

A study conducted by Saani and Tawiah (2017) on the effects of compensation packages on the junior staff of showed that non-financial rewards such as recognition, responsibility, needs for achievement, influence and personal growth have positive effects on their pleasure. Further, Afful-Broni (2012) revealed that low income, lack of clear career

progression and delays in promotion, and unavailability of appropriate facilities and logistics result in the low motivation of workers, affecting their morale, morale and performance.

#### **4.5.3 Main Theme 3: Structural and systemic changes**

Aligned to table 4.4 one of the main sources of low employee morale at KZNLA was due to structural and systemic changes embedded in a lack of clear structural changes, poor communication, and lack of consultation on rationalization of the workforce and associate comprehensive and strategic organogram at KZNLA.

- Subtheme 7: **Lack of clear structural and systemic changes**

Respondents revealed that that they were not happy with the organizational structure as it lacked clear structural and systemic changes.,

**Responded 2** argued that: -

*“There was lack of proper structure to deal with morale at KZNLA, which means that employee concerns on morale were not addressed”.*

**Respondent 7** revealed: -

*“There is always change in this organization and yet there is no one specific officer or individual dealing with the changes especially the changes that impact on employee morale, hence there is no clear explanation of structural changes”.*

**Respondent 8** further mentioned that: -

*“This organization is structurally unresponsive to our needs; hence employee need in terms of morale are forever not addressed”.*

The finding under this subtheme attests that organizational structural changes influence employee morale to the extent that if the structurally changes are not clearly articulated, employee morale can be negatively affected. Thirdly, Cahill's (2020) report shows that, when there are changes at work, morale may decrease. When employees disliked a workplace change, they lost confidence and believed there was no prospect for their careers with the organization. This is especially true when there is insufficient

communication regarding the organizational shift. Low morale can spread throughout a whole organization, making it difficult to acquire and retain new employees (Cahill, 2020). Firstly, when an organization undergoes organizational change, such as a reorganization or merger, employees will experience anxiety, worry, and uncertainty. This will have an impact on the productivity, achievement, and engagement of the staff. In other words, the outcomes might not adhere to the rules. The norm favours a predictable future, but change disrupts this, which can result in confusion and a lack of confidence. Francis (2018) states that if a worker loses confidence and their ideas are not encouraged and acknowledged by superiors; this could increase their stress levels, causing them to perform less well daily (Francis, 2018). Secondly, when there are changes inside an organization, employees may experience a loss of attachment. Change typically involves dealing with new individuals, such as a new leader or a new team. Over time, employees will develop feelings of attachment and loyalty toward their co-workers. When breaking a promise of this nature, individuals may experience anxiety and stress. In accordance with Yu's (2019) report, employees believe the environment is unpredictable, there is little opportunity for ambiguity, they have less freedom, and the optimal time to work is not always available. They are consequently less eager to take chances and less motivated to make an impact (Yu, 2019).

- **Subtheme 8: Poor communication**

Poor communication emerged as one of the aspects causing low employee morale and consequently disengagement. and this is backed by respondent views on this aspect.

**Respondent 2** who recounted:

*“There is lack of communication across the breath and width of the organization, and if it happens, it hard to follow if the communication is up or down”.*

**Respondent 4** contended: -

*“There is some form of communication, however my view is that there is no position on the direction and originator of critical information”.*

**Respondent 10 explained: -**

*“Communication in this organization is not effective at all because we sometimes receive critical information through informal means such as grapevine and this is not good for a state entity such as KZNLA”.*

The findings under this theme clearly demonstrate the criticality of communication in an organization and for KZNLA to fail implement effective communication systems, does not paint a good picture. The findings agree with (Salas-Vallina, Alegre & Guerrero, 2018). Another group of sources is social interactions, including collaboration, interpersonal relationships, high-quality connections, workers' and managers' relationships, pleasant interactions, and communication (Salas-Vallina, Alegre & Guerrero, 2018). Internal communication is adapted based upon rules and principles. For effective maintenance of public relations, internal communication is mandatory. Internal communication pertaining to public relations creates employee confidence and enhance positive atmosphere (Gondal & Shahbaz 2022). Internal communication is vital to development of employees' mental inertia making them vibrant, competitive and preparing them to face uncertainty. Various studies conducted by scholars in this field reveal HRM practices geared to sound interdepartmental communication system to enhance organizational outcomes. Internal communication boost employees' morale, strengthens organizations' vision, connects employees to business, advance process improvements, facilitates change and drive business results (Hola 2022). Internal communication encourages people to work in teams, enhances decision making processes and eradicating obstacles among different departments. Internal communication enhances employees understanding of organization and its products, organization, ethics, culture, and external environment. In addition, research result demonstrates internal communication is mandatory for employee commitment, performance social responsibility behaviors and satisfaction. To reap of maximum benefits internal communication is must for organizational success. Internal communication fosters organizational goals and policies among all personnel; Successful internal communication is vital to support innovative technology leading towards prosperity. Hence typical HRM practices along with end results depends on internal communication techniques causing huge boost to employee morale. Strategic

gain depends upon the blend between HRM and communication capabilities (Gondal & Shahbaz 2022). Internal communication and HRM practices are strongly associated with increase in organizational performance (Gondal & Shahb, 2022)

- **Subtheme 9: Lack of consultation on rationalization**

The interview narratives on this subtheme revealed KZNLA was undergoing rationalization with respondents arguing that the rationalization lacked consultation. In a way consultation and communication works hand in hand, supporting the above finding which revealed that KZNLA lacked effective communication.

**Respondent 14** indicated that: -

*“We have never been consulted regarding the ongoing rationalization that has been taking forever in the organization and it is this lack of consultation that creates animosity leading to low employee morale”.*

**Respondent 10** expounded: -

*“we must be consulted on the rationalization so that we provide our input so that we support the rationalization”.*

**Respondent 11** argued: -

*“We have not seen or met the person driving the rationalization for consultation basis and we are told that rationalization will proceed and this impacts negatively on employee morale in this organization”.*

Employee consultation in organisational rationalisation has been acknowledged as a leadership strategy for increasing organizational performance by working for shared objectives of workers and managers. According to Akinlaby, Dogo and Asikhia (2021), the is accomplished by enabling employees to participate in the rationalisation process, the decision making on key issues such as salary structures, promotion, and incentives. Employee consultation in organisational rationalisation has become a hot subject in organisational reforms and is recognized as one of the most important components of employee's voice (Chesoli, 2018). Organizational leaders need to permit a high level of employee engagement and involvement in the organization's decision-making process to

promote employee commitment and organizational performance. As a result, workers' engagement in organizational goal setting is seen as a tool for motivating employees, resulting in a high productivity and a favourable work attitude (Aliyu, 2019). Because extensive employee consultation in organisational rationalisation enhances opinions and variety of perspectives, Alemayehu (2019) believes that when workers are given opportunity to contribute their thoughts and proposals, greater employee morale is cultivated leading to increased performance.

#### **4.6 Triangulation**

Thematic analysis was selected in the study thus facilitating data collected using inductive and interpretivism qualitative methods to be analyzed to be blended with the quantitative and deductive positivism quantitative approach in a collaborative sequential exploratory design application (Noble and Heale, 2017). Combining both methods in this research enabled the investigator to communicate deeply with the participants in the study from a theory development perspective and synthesize in a complementary mannerism the theory testing hallmarks of the quantitative equivalents (Johnsons et. al, 2017). Therefore, the complementary and collaborator effort of exploratory (qualitative rationale) and the explanatory/predictive (explanatory of quantitative) was taken into consideration by the researchers in an effort to attain both the credibility or trustworthiness and the validity of the tests utilized in the study. These results pursued in the study with the application of mixed methods are compatible with the qualitative data analysis inductive oriented realism without being oblivious of the aggregate nature that is often provided by the pluralism and statistical analytical nature of the quantitative methods.

#### **4.7. Chapter conclusion**

The analyses carried out from this study has shown that the variables that were chosen by management to investigate KZNLA are important and effective one. They also help the KZNLA organisation to achieve most if its aims and objectives. They were few issues that employees raised that needs to be given serious attention. Management is therefore, advised to do well to attend to them before it is too late. Generally speaking, both the quantitative and qualitative strategy pointed to the common directions to give credits to the selected variables. These need to be addressed by management. That is,

management should do well to implement the common concerns raised by the employees of KZNLA. The next chapter presents conclusions and recommendations.

## **CHAPTER 5: CONCLUSIONS; RECOMMENDATIONS AND LIMITATIONS**

### **5.1 Introduction**

This chapter presents conclusions and recommendations. Firstly, the findings from literature are presented followed by findings from primary study. Thirdly, conclusions are drawn, followed by the recommendations based on findings. Finally, the scope for further research is proposed.

### **5.2 Conclusions from the literature review**

This section presents findings based on secondary data to gain a general understanding of the findings drawn from the literature. In doing so the section presents findings aligned to study objectives.

#### **5.2.1 The impact of employee morale on labour turnover**

Literature clearly demonstrated that low employee morale is a serious problem for many organizations around the world, and if “the problem to address low employee persists, organisations will continue to face high labour turnover affecting their present in today's intense global competition (Smith, 2018). Recently, found that the ensuring employee morale is a permanent problem for organizations (Belete, 2018). Low employee morale leads to high employee turnover negatively affecting the performance and profitability of the organization. On the other hand, employee turnover increases the chances of losing good employees. Therefore, retaining valuable skilled employees is very important to employers, as they are considered essential to the performance and success of an organization (Alkahtani, 2015). Besides, employee turnover has always been an important issue for managing an organization.

#### **5.2.2 The sources of low employee morale**

Literature also revealed several sources of employee morale which include work context sources, social context sources, leadership context sources, personal resources context sources, diversity human resource sources (Salas-Vallina, Alegre and Guerrero, 2018). For work context sources, the literature revealed some sources that impact employee morale, such as autonomy, flexibility at work, supportive supervisors or superiors,

sufficient workers, lean arrangements, expectations of work, serenity, professionalism, conditions, fairness, feedback, empowerment, trust, dignified treatment, lean management, work climate, fair remuneration, perceived social status and available inputs (Salas-Vallina, Alegre, and Guerrero, 2018).

Empirically, Thompson and Bruk-Lee (2021) noted that work overload brings worker discontent. Requirements of the job involve physical, psychological social and or organisational aspects of the job that requires sustained physical and or psychological cost (Bakker & Demerouti, 2016). For instance, job demands are high work pressures on employees, emotionally taxing tasks, and high role ambiguity. Job demands often become stressors, resulting in many adverse organisational outcomes (Bakker & Demerouti 2016). It is well established that a high level of job demand results in decreased employee organisational commitment and performance, and increased turnover, especially under low job resources. Another group of sources is social interactions, including collaboration, interpersonal relationships, high-quality connections, workers' and managers' relationships, pleasant interactions, and communication (Salas-Vallina, Alegre & Guerrero, 2018).

### **5.2.3: The relationship between employee morale and organizational performance**

Literature clearly revealed that employee morale has an effect with organisational performance which could either be negative or positive. However, while some scholars reveal the positive outcomes of employee morale, other researchers discover the negative consequences. There are inherent positive benefits of employee morale in every organisation. For example, happy employees are more likely to foster meaningful social relationships, eventually encouraging others to stay longer in the organisation (Ford et al., 2016). At the same time, employee morale can enhance optimism, higher self-esteem, a sense of humour and a contagious effect on others (Ford et al., 2016). Thus, an increase in employee morale will likely result in positive organisational commitment, and performance (Choudhury, Dutta & Dutta, 2021). Employees that feel happy at work become committed. Another positive consequence of employee morale is job

satisfaction. Happy employees would express contentment and joy with their careers. Career satisfaction has been identified as one of the critical attributes that help employees to exhibit their full potential". According to the literature, job performance is highly related to high performance and improved organisational performance (Lee et al., 2013). employee morale as measured by pleasure, engagement, and meaningful life predicted job satisfaction significantly.

### **5. 3 Conclusions from the Primary Study**

The findings under these sections are drawn from the data that was gathered through the questionnaire and interviews aligned to objectives. As alluded in the analysis chapter, the qualitative methods focussed on addressing objective 2 which sought to assess the sources of employee morale, while objectives 1 and 3 were address quantitatively. In sections that follow the findings are now presented.

#### **5.3.1 Conclusion aligned to objective 1: To assess the impact of employee morale on labour turnover at the KwaZulu-Natal Liquor Authority**

In general, the quantitative study revealed that employee morale has a positive impact of labour turnover which entails that high employee morale will lead to labour retention. However, specific to this objective, the study revealed that KZNLA has low employee morale responsible for increasing labour turnover.

#### **5.3.2 Findings aligned to objective 2 - To identify the sources of low employee morale at the KwaZulu-Natal Liquor Authority**

The qualitative study identified several sources of low employee morale which include employee dismissals, being overworked, lack of recognition, low salaries lack benefits and lack of growth. Other sources identified by the study include lack of organisational structures, poor communication, and lack of consultation on organisational rationalisation.

#### **5.3.3 Conclusion aligned objective 3 - To critically assess the relationship between employee morale and organizational performance at the KwaZulu-Natal Liquor Authority**

In general, the quantitative study revealed that employee morale is positively related to organisational performance which entails that high employee morale will lead to increased organisational performance and vice versa. However, specific to this objective, the study revealed that low employee morale at the KZNLA negatively affects organisational performance.

#### **5.4 Consolidation of Conclusions**

This section draws conclusions based on the consolidation on conclusions elucidated above :-.

##### **5.4.1 Objective 1 - To assess the impact of employee morale on labour turnover at the KwaZulu-Natal Liquor Authority**

Drawing from the findings, the study findings concludes that low employee morale at the KZNLA has low employee is responsible for the current spate of increasing labour turnover.

##### **5.4.2. Objective 2 - To identify the sources of low employee morale at the KwaZulu-Natal Liquor Authority**

Drawing from the findings, the study concludes that the current spate of employee dismissals, work overload lack of recognition, low salaries, lack of benefits, lack of growth. lack of organisational structures, poor communication, and lack of consultation on organisational rationalisation is the reason for low employee morale.

##### **5.4.3 Objective 3 -To critically assess the relationship between employee morale and organizational performance at the KwaZulu-Natal Liquor Authority**

Drawing from the findings, the study concludes that low employee morale is responsible for negative organisational performance at the KZNLA.

#### **5.5 Recommendations**

Mindful of the conclusion that that KZNLA employees experiences low morale levels which causes labour turnover, the study recommends measures that motivate

employees. The measures include improving the salaries and the fringe benefits package that include housing loans, medical aid schemes that add value to the workers wellbeing. In summary, KZNLA must re-imagine, and re-invent its conditions of service if they are to remain sustainable and competitive to achieve their mandate as a critical state entity.

Considering that the study found a heavy managerial hand in dealing with employees by way of employee dismissals, and overworking most of the employees, the study recommends that management should stop or minimise the rate of dismissals as well as reviewing the job descriptions with a view to reduce the workload.

Mindful of the finding that KZNLA has incompatible organisational structures, compounded by poor communication, and lack of consultation on organisational rationalisation. The study recommends that KZNLA must appoint an organisational development specialist or consultant who will spear head the rationalisation project which is currently taking place. An organisational development specialist will be able to address the rationalisation project professionally taking care of the interest of the workforce in terms of restructuring, communication, and consultation.

## **5.6 Limitations of the Study**

The main limitation was the unwillingness by senior managers and some employees to participate on this study due to the influx of similar request for participation by academics in pursuit of building up a body of knowledge on employee morale, labour turnover and organisational performance. The researcher had to be flexible in terms of meeting times for interviews, which were most very early in the morning or early evenings, as well as allowing participants of the quantitative study to submit through the emails even after hours. Considering that that this research study employed qualitative and purposive sampling method, the samples size for the qualitative was very small, which raised validity and generalisability concerns. To overcome these concerns, the use of mixed methods was paramount.

### **5.7 Contribution to the Body of Knowledge**

While there exists literature on employee morale, sources of such morale and the effect on labour turnover, there is still knowledge insufficiency on the extent to which low morale affects labour turnover and ultimately productivity. This study significantly adds to the exiting body of knowledge on the extent to which employee affects labour turnover and productivity. This arises as a result of the statistical rigour that was used to assess this kind of contribution.

### **5.8 Managerial Implication of the study**

From a managerial perspective, this study serves as wake-up call to KZNLA senior managers by recommending practical measures that would increases employee morale with the ultimate goal of enhancing employee retention while improving organisational performance. KZNL managers ought to be pro-active towards creating a conducive working environment that breeds a positive employee morale.

### **5.9 Scope for Further Research**

There are several state entities within KwaZulu-Natal which could facing labour turnover challenges due to the reorganisation practice which become the norm in most government entities. Perhaps, a similar study could be conducted at one of the state entities in KwaZulu-Natal Province in order to have a balanced view of the problem towards solving the challenges facing critical organisations.

### **5.10 Conclusion**

The aim of the study was assessing the impact of low employee morale on labour turnover at the KwaZulu-Natal Liquor Authority. The study identified a diverse inventory of what could be attributed as the human capital dissonance between the aspirations of the employees and the positionality of the management or leadership which is dire need of reflective reality. The study revealed that KZNLA's employees presents low employee morale levels responsible for high labour turnover and vast culture of discontentment and disengagement which could be averted if the employees are recognised not only as an indispensable part of the organizational sustainability and success, but also as priceless

asset and resource. The low employee morale has negatively impacted organisational performance. The study then recommended that KZNLA appoints an Organizational Development (OD) specialist who review the rationalisation process which is being implemented. In doing so the OD specialist should review the condition of service in order to motivate employees going forward.

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## APPENDICES

### APPENDIX A –Research Instrument

#### Cover Letter

Dear Participant

My name is Nokubonga Memory Magubane **studying** for the MBA degree. I am the dissertation phase and my title reads - ***Assessing the Impact of low employee morale on Labour turnover: a case of KwaZulu-Natal Liquor Authority.***

I kindly request you to participate by responding to interview questions. The task will take approximately 20 - 40 minutes. All the information you provide will be treated with highest order of confidentiality. Your identity will not be revealed; hence you are not required to provide names. Please note that participation in this study is voluntary, which means you are free to engage or disengage from the study without negatively affecting the outcome of the study

Yours sincerely

**Nokubonga Memory Magubane (221063253@stu.ukzn.ac.za)**

#### SECTION A: Draft Interview guide

Section A Biographical data	
Age	
21-30	
31-40	
41-50	
50+	
Years of service	

1-5 years	
6-10 years	
11-20 years	
20+ years	
What is your highest qualification	
Matric	
National Diploma	
Degree	
Honours Degree	
Masters	
What is your occupation	
General Worker	
Admin	
Lower Management	
Middle Management	
Senior Management	

**SECTION B:**

**TO IDENTIFY THE SOURCES OF LOW EMPLOYEE MORALE AT THE KWAZULU-NATAL LIQUOR AUTHORITY**

1. Could you please outline the sources or reasons for low employee morale at KZNLA?

**SECTION C: cover letter for questionnaire**

Dear Participant

My name is **Nokubonga Memory Magubane** an MBA student currently undertaking an independent study entitled ***Assessing the Impact of low employee morale on Labour turnover: a case of KwaZulu-Natal Liquor Authority*** I kindly request you to participate in the interviews as part of the data collection to address the international business managerial challenges faced by the organisation. The task will take approximately 20 minutes of your working time. All the information you provide will be treated with highest order of confidentiality. Your identify will not be revealed, hence you are not required to provide names. Please note that participation in this study is voluntary, which means you are free to engage or disengage from the study without negatively affecting the outcome of the study

Yours sincerely

**Nokubonga Memory Magubane (221063253@stu.ukzn.ac.za)**

#### **SECTION D: The Likert Scale questionnaire**

<b>Segment A Biographical data</b>	
Age	
21-30	
31-40	
41-50	
50+	
Years of service	
1-5 years	
6-10 years	

11-20 years											
20+ years											
What is your highest qualification											
Matric											
National Diploma											
Degree											
Honours Degree											
Masters											
What is your occupation											
General Worker											
Admin											
Lower Management											
Middle Management											
Senior Management											
<b>SEGMENT B: THE IMPACT OF EMPLOYEE MORALE ON EMPLOYEE TURNOVER INTENTION AT THE KWAZULU-NATAL LIQUOR AUTHORITY</b>											
Please indicate the extent to which you agree with the following statements											
	<table border="1"> <thead> <tr> <th>Strongly Agree (5)</th> <th>Agree (4)</th> <th>Neutral (3)</th> <th>Disagree (2)</th> <th>Strongly Disagree (1)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)					
Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)							
1. Lack of motivation increases labour turnover in this organisation											

2. Autocratic leadership increases labour turnover in this organisation.					
3. Lack of resources increases labour turnover in this organisation					
4. Poor office infrastructure increases labour turnover in this organisation					
5. Inadequate medical aid cover increases labour turnover in this organisation					

**SEGMENT C: TO IDENTIFY THE SOURCES OF LOW EMPLOYEE MORALE AT THE KWAZULU-NATAL LIQUOR AUTHORITY**

Please indicate the extent to which you agree with the following statements

	<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	<b>Neutral (3)</b>	<b>Disagree (2)</b>	<b>Strongly Disagree (1)</b>
6. The low salary in this organisation is the source of low morale					
7. Failure to integrate workforce diversity is a source of low morale					
8. Gender bias is a source of low morale in this organisation					
9. Failure to recognise employee qualification is a source of low employee morale					
10. The managerial leadership style is the source of low morale in this organisation					

11. Racial bias is a source of employee morale					
12. The lack of financial housing allowance is the reason for low morale in this organisation					
13. The lack of cost-of-living allowance is the reason for low morale in this organisation					
14. The lack of transport allowance is the reason for low morale in this organisation					

**SEGMENT D: THE RELATIONSHIP BETWEEN EMPLOYEE MORALE AND ORGANIZATIONAL PERFORMANCE AT THE KWAZULU-NATAL LIQUOR AUTHORITY**

Please indicate the extent to which you agree with the following statements

	<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	<b>Neutral (3)</b>	<b>Disagree (2)</b>	<b>Strongly Disagree (1)</b>
15. Improving the salaries package can improve KZNLA overall performance					
16. Making the organisation a better place to work improves performance					
17. Application of democratic managerial leadership styles, can improve KZNLA overall performance					
18. Application of autocratic leadership styles, can improve KZNLA overall performance					

19. Improving the pension fund can improve KZNLA overall performance					
20. Improving the medical aid cover can improve KZNLA overall performance					
21. Providing staff with better housing allowances can enhance KZNLA overall performance					