

UNIVERSITY OF KWAZULU-NATAL

Factors Affecting Employee Turnover at Gorima's

By

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DECLARATION

This research has not been previously accepted for any degree and is not being currently considered for any other degree at any other university.

I declare that this Dissertation contains my own work except where specifically acknowledged

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Signed.....

Date.....

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All praise is due to ALLAH, Most Gracious, Most Merciful. All acknowledgements begin with the understanding that all efforts and accomplishments are due to Him.

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ABSTRACT

Working in retail has historically been viewed as a temporary source of income rather than a career choice. Low rates of pay, long working hours and working on weekends and public holidays have contributed to retail being perceived as a stepping stone to another career. Thus, retail is known for having a high turnover of employees. The main aim of this study is to identify the factors that contribute to this turnover at Gorima"s.

Gorima"s is a speciality spice retail store with 13 branches. With an abnormally high turnover, it was decided that a quantitative research study would be conducted. All employees of the company would be surveyed, obviating the need for choosing a sample size and sampling technique.

In this study it was found that the high level of job satisfaction at Gorima"s did not translate to a low level of employee turnover. While employees were satisfied working at Gorima"s, they would leave without hesitation to take up jobs that were better paying or more preferred working hours. It was recommended that the employer move to reform particular elements of its Human Resources Management practice. This provides an opportunity for further research into these factors.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The wholesale and retail industry is the second highest employer of labour in the South African Economy (Department of Labour Annual Labour Market Bulletin, 2013-2014). In the retail industry the replacement demand is five times higher than the labour required for meeting expansion demands (Hart, Stachow, Farrel and Reed, 2007). Employee turnover in the retail industry is therefore a critical area of management and reasons for separation in the industry should be investigated.

Intrinsic and extrinsic factors are responsible for turnover and cannot be regarded as being consistently the same between different groups of employees and employees themselves. External factors like skill shortages, increasing demand and better reward packages are difficult for the employer to control. Internal factors are within the locus of control of employers but initially requires recognition of the problem by managers and thereafter it can be positively addressed (Hendrie, 2004).

1.2 Background

Gorima's is an independent retailer that operates in thirteen shopping malls, with twelve in Durban and one in Pietermaritzburg. The company has its roots in manufacturing, starting with a single product, Magi Masala. Its visionary founder, Khatija Mall, opened Durban's first ever speciality spice retail store at The Workshop in 1986.

A defining feature of the Gorima's shopping experience is the level of personal service offered to its customers. Gorima's prides itself on having no expenditure on advertising. Instead, it is marketed by a strong reputation through word-of-mouth marketing. It is therefore necessary for the company to have staff that are knowledgeable about the store's product offering and have a culture of customer-centred service.

At the time of the study, Gorima"s had an average of eighty-two employees across its branches. Over the course of the year that this average was calculated, the company experienced 77 resignations. This means that it experienced a turnover rate of 94%.

1.3 Research Problem

The above calculated rate of turnover is regarded as abnormally high for a retail company. It is necessary to identify the reasons for such a rate.

1.4 Research Aim

The aim of the research is to identify the most common factors that influence the high employee turnover rate experienced at Gorima"s.

1.5 Research Objectives

The objectives of the research are to:

1. To measure the levels of job satisfaction amongst employees.
2. To identify the key factors influencing employees" decision to leave the company.
3. To determine which of these factors can be attributed to the organisation"s human resource management practice.
4. To identify measures that must be implemented to retain employees.

1.6 Research Questions

Chapter two of this study reviewed the literature on staff turnover in retail and this section formulates research questions that will be used to scrutinise staff turnover in retail. From the review of the current literature on staff turnover in retail, it was found that a multitude of factors have been identified as causative to staff turnover. No thought was given to what makes staff stay in the retail trade and the reasons that kept them in the retail trade. This leads to the research questions posed in the current study, which looks at the key factors for turnover, the level of job satisfaction, factors are under the employer"s control, extrinsic factors and organisational commitment.

1.6.1 Research question 1 – What are the key factors responsible for the high rate of employee turnover at Gorima’s?

This question looks for the extrinsic and intrinsic factors that are responsible for high turnover. These factors will give an understanding of job satisfaction and organisational commitment at the company.

1.6.2 What is the level of job satisfaction at Gorima’s?

This question seeks to understand if employee unhappiness in the workplace plays a large part in turnover. It is commonly perceived that high turnover rates are a product of low job satisfaction. This seeks to confirm or reject this perception.

1.6.3 Do the factors under the employer’s control account for the majority of employee separations?

This question investigates whether the employer could be responsible for the high turnover rate. If this is the case then it is important to identify the exact factors which the employer can change to reduce turnover.

1.6.4 How can the effects of the factors not under the employer’s control be minimised?

Following on from the above question, the extrinsic factors also need to be identified. This question is meant to explore the relationships between intrinsic and extrinsic factors. In doing so, it can be determined how to use intrinsic factors to minimise the effect of extrinsic factors.

1.6.5 What would increase employees’ organisational commitment?

Following on from the previous research question, this question explores whether the more focused use of intrinsic factors would make employees more committed.

1.7 Conclusion

This chapter served as an outline of the study conducted. The industry in which the study was conducted was briefly discussed. Background was given of the company that was studied. The research aim, broadly outlining what the research was about, was stated. The research objectives were then presented. Research questions that arose from these objectives were then discussed. In the next chapter, the literature relating to these questions will be reviewed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter produces a view on employee turnover that reflects the existing literature on employee resignations in retail and expands on the explanation thereof. It explores factors that lead to employee turnover in retail undertakings where views are offered on the impact of employee turnover on relevant operations. The literature review also extends to perceptions of retail, training, emotional labour and the South African context of retail. A source for the research questions that were posed in the previous chapter is established within this chapter.

2.2 Employee Turnover

Employee turnover is regarded as the movement of employees out of the organisation. Turnover can be voluntary by means of either resignation or voluntary retirement i.e. outside the locus of the organisation's control. It can be decided upon by an organisation through actions like dismissals, retrenchments mandatory retirement and transfers from one business unit to another. Even if the preceding conditions were absent, the simple fact of mortality makes employee turnover inevitable for every organisation (Grobler, Warnich, Carrel, Elbert and Hatfield, 2006).

Wallace and Gaylor (2012) observed that most studies of employee turnover concluded that it was inherently bad for an organisation's bottom line. This confirmed the popular assumption that turnover is always undesirable. However, this assumption would hold true only if all employees were the same i.e. they all performed their jobs at exactly the same level with negligible differences in output for the organisation. By considering the human element, turnover can be classified as either functional or dysfunctional.

Grobler, et al. (2006) defined functional turnover as that which is beneficial to the organisation. Space is created within the organisation for new recruits who can bring in new ideas and methods stirring innovation and making the company more effective. It also helps in correcting ill-informed decisions made when employees

were hired and placed. Productivity and efficiency improve when poor performers leave, adding to the argument that not all turnover is dysfunctional (Wallace and Gaylor, 2012). Contrarily, Babatunde and Laoye (2011) found that employee stability was imperative for small to medium enterprises (SMEs). Factors that significantly affect employee stability were:

- (a) customer retention and loyalty,
- (b) repeat purchase/patronage,
- (c) adherence to work schedules/deadlines,
- (d) budget achievement,
- (e) employee morale/teamwork.

This affirms the common perception that turnover renders businesses dysfunctional. These factors can further, be considered as part of the antecedents to an employee's separation.

Employee turnover is seen as a process rather than an action within a business (Mobley, 1982). It does not occur as a result of a single occurrence but is the culmination of multiple antecedents. This challenges the standard research paradigm of collecting data on turnover from surveys and personnel records because it requires the consideration of three elements. These three elements – change, feedback, and interactions over time – are significant to the comprehension of turnover as a process.

One of the most fascinating and perplexing areas of management is the process of employee turnover (Lee and Rwigema, 2005). Some of the outcomes of employee turnover are the costs incurred in the recruitment and training of new staff as well as the lack of employee continuity and organisational strength. For employee turnover to be better understood, organisational psychologists and other academics have made determined efforts to identify the precursor factors associated with it. Identification of these antecedent factors would help managers to introduce measures to prevent employee turnover (Siong, Mellor, Moore and Firth, 2006).

Despite significant progress in research, an abundance of confusion remains as to what may truly cause employees to remain or leave their organisations. The lack of

convergence amongst the models suggested in past studies has added to such confusion. The divergence of these models makes it difficult to identify a consistency of antecedents and thus, generalisations (Zeffane, 1994). Vather (2008, p.7) stated that these various models "...describes staff turnover as a complex process encumbering a multitude of factors." These factors were grouped into four categories by Zeffane (1994):

These factors were grouped into four categories by Zeffane (1994):

1. external environmental factors; like the workforce market;
2. internal business factors, which include amongst others – physical working conditions, rate of pay, job skill required, supervision;
3. employee personal qualities, such as aptitude and intelligence, experience, gender, hobbies, age and length of service;
4. employee engagement, determined by factors like job satisfaction, job engagement and job expectancies.

The above examines employee turnover from a holistic perspective. In order to include it within the framework/context of this study, one has to consider the role of retail in the economy, the understanding thereof by potential employees and finally, significant turnover factors frequently discovered in retail research.

2.3 Role of Retail in the Economy

In the formal South African economy, retail is calculated to be the second largest employer (Statistics South Africa SA Quarterly Labour Force Survey : Quarter 1, 2014). Retail trade sales in South Africa amounted to R 698 759 million for the 2013 calendar year (Statistics South Africa Retail Trade Sales: June 2014). The retail sector in the United Kingdom (UK) has a long history, being regarded as hallowed part of the British psyche (Grimsey, 2013). In this time it has delivered a physical fabric that formed part of a social infrastructure by providing the nucleus to a local community. Proceeds from the retail sector contributes 20% of the UKs GDP and employs just over 11% of its population making it the third biggest retail sector in the world (Resnick, Foster and Woodall; 2014). Ramaseshan (1997) found that one

sixth of Australia's labour force was employed in retail making it the largest industry in that country. The table below shows the number of employees found in the various major sectors of the South African economy.

Industry	Jan - Mar 2013	Oct - Dec 2013	Jan-Mar 2014	Qtr-to- qtr change	Year- on-year change	Qtr-to- qtr change	Year- on-year change
	Thousand					Per cent	
Total	14 556	15 177	15 055	122	496	0.8	3.4
Agriculture	764	713	709	5	66	0.7	7.2
Mining	393	426	424	2	31	0.4	7.9
Manufacturing	1 856	1 766	1 804	38	52	2.1	2.8
Utilities	124	127	130	3	5	2.2	4.3
Construction	1 084	1 204	1 199	5	116	0.4	10.7
Trade	3 032	3 224	3 186	38	154	1.2	5.1
Transport	872	961	895	66	23	6.9	2.7
Finance	1 916	2 037	2 045	8	130	0.4	6.8
Community Private households	3 296	3 470	3 428	42	132	1.2	4.0
	1 219	1 244	1 231	14	12	1.1	0.9

Table 2.1 Statistics South Africa P0211: Quarterly Labour Force Survey. Quarter 1, 2014;

p.ix

The table above shows that the trade industry, which the retail sector falls into, is the third largest employer in South Africa. This is a clear indication of the influence retail has on the local economy. These statistics represent formally employed citizens and do not necessarily reflect the high proportion of part time workers in the retail sector (Hart, Stachow, Farrell and Reed, 2007).

Retail is known to have the highest ratio of part time workers and experiences a greater than average employee turnover (Hart et al., 2007). The shift to part time employment is a reaction to the longer than average shifts that retailers operate and

makes provision for cyclical fluctuations. There are restricted full time job opportunities in retail operations yet there is a higher than average staff turnover.

From the customer's perspective, retail is seen as the first point of contact in the supply chain that brings products, in the form of goods and services to market (Abratt, Bendixen and Drop, 1999). Employees in retail are exposed to a wide variety of suppliers and services. Through meetings with dealers and interaction with sales representatives, employees gain more insight into the workings of these organisations. Often, employees leave retail to join companies higher up the supply chain like wholesalers, manufacturers and service providers. Therefore, retail can be viewed as a source of labour for other sectors in its supply chain like logistics, production and monetary services.

Workforce turnover is viewed as an expenditure that can be quantified and standardised (Booth and Hamer, 2007). Labour turnover is viewed as an area of cost that can be quantified and benchmarked (Booth and Hamer, 2007). When top performing employees resign, not only does the company have to bear the costs associated with recruiting and training new employees it also has to deal with outcomes like lost revenue and disruptive relationships (Babatunde and Laoye, 2011). A positive effect of employee turnover is when underperforming employees leave (Wallace and Gaylor, 2012). In order to manage employee turnover effectively, one has to understand the reasons why employees leave a retail organisation.

2.4 Employee Perceptions of Retail

The macro-economic view presented in the previous section demonstrates the importance of the role of retail in South Africa and economies globally. Employees form an integral part of the economy and thus it is important to understand their perceptions of retail. Of particular importance is how employees perceive their employment roles and their social status.

Jobs in retail offer an attractive proposition to incumbents due to the opportunities presented for career progression, skills development in addressing challenges, opportunities for meeting people, appealing financial rewards and its potential to offer

a high level of job security to the capable individual (Ramaseshan, 1997) . Contrary to this, it was found that less than 25% of students perceived retail to be an attractive industry to work in (Broadridge, Maxwell and Ogden, 2007). This concurs with the assertion from Hart et al. (2007) that retail is poorly perceived as a career destination. This general perception stems from potential employees" encounters as part time workers or as consumers themselves.

Factors like minimum wage and extended hours of work influence a negative judgement of retail. This superficial view of the industry means that little is known amongst the general population about back office operations that are in place to support the front office. Broadridge (2003) stated that retail has become far more complex than the typical shop floor experience, requiring more employees that can specialise in dedicated roles. Retail employers need to do more to market this aspect of the industry, by detailing career options that span disciplines like inventory management, supply chain management, accounting, property management and human resource management.

Competition in the retail sector combined with an economic climate in which the nominal gross domestic product (GDP) has contracted (Statistics South Africa GDP, First quarter 2014) means that more focus has to be placed on personnel productivity and personnel performance (Broadridge, 2002). In addition to cutting costs and reducing waste, more effective use of labour is also key to achieving efficiency gains in retail organisations. However, this is not seen as a contributor to the negative perception of retail amongst potential employees.

The goods retailers sell and the means whereby they are sold are interconnected. These propose a host of implications for the cultural foundation and pattern of civilian life (Hollander, 2002). Consequently, potential employees" perceptions of retail are negatively affected.

The weak image of the retail sector has adversely affected retailers" ability to recruit appropriate applicants with the applicable qualifications (Hart et al., 2007). Potential applicants view retail work as subservient with young entrants to the workforce feeling that it is degrading for them to work in a shop. This perception makes retail the "last resort" or "stepping stone until something better comes along". More

adverse perceptions were based on perceived working conditions such as a seven-day work week, boring or repetitive tasks, low pay, long hours and laborious work. Despite this, people still enter this industry. Shittu and Omar (2006) sought to understand why this happens. The value gained from retail exposure needs to be investigated in order to understand this.

2.5 Factors Leading to Employee Turnover in Retail

One of the most widely studied topics in managerial analyses is employee turnover (Zeffane, 1994). Despite substantial progress in research, substantial misunderstanding remains with regard to the factors that constitute an employee's decision to either leave or remain in their establishments. Further, additional confusion has been created as a result of the lack of convergence amongst the models recommended in preceding research.

Gialuisi and Coetzer (2013) found several possible disadvantages allied with working in small businesses that could possibly influence employees to voluntarily leave. The most prominent drawback in retail is that of rates of pay as small enterprises typically pay less than corporate businesses and provide little or no fringe benefits. Proper training and development opportunities are also less accessible for employees in small businesses. Employees who value knowledge gain, skills training and professional progress will view this as a handicap to their advancement (Cardon & Stevens, 2004). Possibilities of career progression in small businesses are typically weak in light of the fact that small businesses have shallow or no hierarchical organisation structures (Gialuisi and Coetzer, 2013). Because of this and their relative size, small businesses are not likely to have trade union representation thus making employees feel that their rights are not sufficiently addressed with regard to operational conditions or industrial relations (IR) issues (Wilkinson, 1999). Additionally, small businesses are not likely to employ human resource management (HRM) specialists that are knowledgeable of current IR regulations and legislations. These disadvantages associated with working in small businesses could theoretically taint the legitimacy and appeal of the small business as a reputable employer.

Arthur (2001) looked at factors that lead to employee turnover across various economic sectors while Hendrie (2004) did a case study on one organisation in the retail sector. A comparison of these factors are shown in the table below.

Hendrie (2004)	Arthur (pg. 222 – 224, 2001)
Hours of work	Lack of flexible work schedules
Rates of pay	Unequal salaries and benefits
Staffing levels	Too much work, not enough staff
Level of employee recognition with regard to performance	Feelings of not being appreciated or valued
Depth of communication with employees	Unsatisfactory relationships at work
Facilities available for employee use	Inadequate or substandard equipment
Working under pressure	
Staff uniforms	
The actual job required of the employee	Not knowing how they're doing
Lack of training	Lack of training
	Inadequate supervision
	Not feeling part of the company
	Incompatible corporate culture
	Lack of opportunity for growth

Table 2.2 A comparison of factors that lead to employee turnover

The table above shows the similarities and differences found in studying the subject of employee turnover over multiple economic sectors versus one specific company. The factors found by Arthur (2001) were broad in nature, while Hendrie's (2004) findings were related to these but more organisation specific. Staffing levels, recognition, working under pressure, training and communication all relate to management competencies and employee perceptions thereof (Hendrie, 2004). Booth and Hamer (2007) stated that factors influencing employees' intention to quit could be placed into two categories; namely "push" and "pull". The above comparison indicates that retail employees' intentions to quit are influenced by factors specific to the retail sector. These "push" factors are informed by the character of the industry.

While most other sectors in the economy have a normal work duration of Monday to Friday, retail must operate on all days of the week. Coupled with this are longer shifts of work due to the retail sector having to serve employees of other sectors outside of their normal work times. It is difficult for retail sector employees to accommodate their personal responsibilities with their work as their working hours clash with those of other industries and social services. Their social interactions are affected due to the fact that while the general populace is on work breaks they have to be on duty. There are additional internal factors that require consideration as these could potentially, contribute positively to employee turnover. Therefore it can be seen that employee turnover is influenced from both external and internal sources. In this study, these influences will be explored by looking at employee turnover at the retail arm of Gorima"s.

2.6 Emotional Labour

Rising research in marketing and management reflects the role of emotional labour done by frontline service employees (e.g. Kinman, 2009; Groth et al., 2009; Rupp et al., 2008). Emotional labour refers to the "effort, planning, and control required to display organisationally desired emotions during interpersonal transactions" (Morris and Feldman, 1996, p. 987).

Hochschild (1983) first introduced this concept stating that in jobs where a high level of contact with the public occurs, expectations exist of employees regarding appropriate and inappropriate displays of emotion. This means that it is expected of employees to "feel" (the kind of emotions that should be experienced) and "display" (the kind of emotions that should be expressed and those that should be suppressed) within a specified set of norms (Rafaeli, 1989).

While enacting emotional labour may be beneficial to employee health (Zapf, 2002), the exertion required to regulate "true" emotions with those that are desired by the organisation can lead to emotional exhaustion and job dissatisfaction (Lewig and Dollard, 2003). Therefore, emotional labour can lead to outcomes detrimental to the organisation, including employees" increased intention to quit (Chau et al., 2009; Goodwin et al., 2011) and turnover, which probably would negatively affect service

levels and decrease financial margins through the loss of tacit knowledge, dropping productivity, and significant recruitment costs (e.g. Jackson and Sirianni, 2009; Wright and Bonett, 2007).

Goodwin, et al. (2011) viewed emotional labour as a function of a process model of emotion control (Gross, 1998b) to the workplace. Emotional labour is thus defined by a group of guiding cognitions and conduct performed by employees at work in reaction to real or expected inconsistencies between experienced emotions and experiences of expected emotional displays. Gross's (1998b) model shows emotion control to be directed on either the anticipated (antecedent) or the reflex (response). In the context of employee-customer relations, these kinds of emotion control approaches show what is known as deep acting (altering felt emotions, usually in anticipation of a perceived inconsistency between what is felt and what is required) and surface acting (the demonstration of emotions not actually felt by subduing emotions felt, exaggerating the expression of an insipidly felt emotion, or simulating unfelt emotions) (Hochschild, 1983). The impact of these types of acting may affect turnover intentions directly or indirectly, and can be contingent upon the age and gender of the employee (Walsh and Bartikowski, 2013; Chau, et al., 2009).

Chau, et al. (2009) found that surface acting had a secondary, affirmative effect on turnover intentions – through emotional exhaustion - and a secondary effect on real turnover – through emotional fatigue and resignation intentions. They also found that deep acting had an adverse, secondary effect on turnover through diminished turnover intentions. These findings show that turnover decisions are cumulatively influenced by the emotional labour process.

Deep acting has been found to have no impact on job satisfaction in general, however surface acting does. Goodwin, et al. (2011) and Groth, et al. (2009) ascertained that burying negative feelings is more damaging than evoking positive emotions. Surface acting brings about instantaneous negative feelings that adversely affect job satisfaction. Employees feel the strain of acting falsely or deceptively towards customers. This affects their job satisfaction and eventually leads to their decision to quit.

Walsh and Bartikowski (2013) added the dimensions of age and gender to their studies to investigate the effects of surface acting and deep acting on turnover intentions. They found that both surface acting and deep acting had a primary positive effect on turnover intentions of male employees. The primary effect was not found amongst female employees, confirming that the management and utilisation of emotions is more draining for male employees. On a secondary level, deep acting positively affects the job satisfaction of male but not female employees. Surface acting has a significantly negative link with job satisfaction for female employees but not for male employees. Men feel a greater sense of achievement when they use deep acting owing to greater satisfaction with their job performance.

Female employees find surface acting more draining than male employees because shallow emotion regulation leads to feelings of being false and undermines their social identity which is linked to an honest and open communication of one's emotional state (Simpson and Stroh, 2004). Despite this, the repercussions of surface acting on job satisfaction are not transferred to the decision to quit by female employees.

The link between deep acting and job satisfaction is stronger for younger workers than their older counterparts, while there is no age difference in relation to surface acting. There does exist a primary positive effect of surface acting on quitting intentions for older but not for younger employees (Walsh and Bartikowski, 2013).

2.3 Employee Training

Training is defined as the process by which the necessary skills to perform a current job are developed (Lussier, 2005). Training entails the improvement of technical skills of non-managers and is separate from the concept of the development of employees. Lussier (2005, pp.486) defined development as "the process of developing the ability to perform both present and future jobs" making it less specialised and intended for professional and managerial employees. The quality and value of knowledge that an individual possesses is related to his/her market value and bargaining power (Jacobs and Roodt, 2007). Training is both formal – that

which provided by the employer - and informal – self-learning where individuals further themselves with knowledge or skills available in the workplace. Individuals who have clear career objectives will gravitate towards learning mediations that provide them with the necessary experience in order to furnish their curriculum vitae for consideration by future employers.

In today's work environment, many training programmes are offered to employees in addition to the many types of training offered independently outside the employment setting. This range of choice offers employees greater opportunities for learning and development, but also means that they have to be careful in choosing the training that will enhance their careers. This gives employees more control of their career direction but also implies that they must actively seek training and development opportunities to be successful (Bertolino, Truxillo and Fraccaroli, 2011). The implication of this for retail is that employees need to have regular career advancement discussions and employers should be receptive to the facilitation thereof. Training interventions must be provided by employers for the attainment of goals by employees. Generic training interventions, which are usually the norm amongst retailers, are in contrast to individualised interventions that cater to the employee's need for specialisation. Therefore it is encouraged for retailers to have a generic training plan in addition to a concurrent specialist training plan for employees to enhance their skills in their specialisation preferences.

Research was done on the recruitment, compensation and training of sixteen and seventeen year old school leavers by Heyes (2007) in the manufacturing, hospitality, hairdressing and retail sectors. It was found that generally this age band was poorly remunerated and exposed to limited training programmes. Older workers were usually given more specialised training. The result of this was high levels of dissatisfaction amongst poorly-paid, inadequately trained individuals who performed work similar to their older, higher-paid colleagues. In the sectors studied, managers reported that younger workers saw their employment as a transitory prelude to a better job or further employment (Heyes, 2007).

2.8 Succession Planning

Whatley (2011) defined the incumbent as the person in the most senior position who is leaving or retiring from the family owned business (FOB). He also identified the successor as the person taking over the most senior position in the FOB. Whatley further stated that the sustainability of the organisation depended on the founder of the FOB ensuring that proper administrative structures, systems, and processes were developed.

Lansberg, (1988) as cited in Whatley (2011), stated that “the owners, the senior managers, and other stakeholders typically experience poignantly ambivalent feelings toward succession planning”. He also found that improper or non-existent succession planning in first generation FOBs were responsible for their demise in subsequent generations. Handler and Kram (1998 cited in Whatley, 2011, p.24) developed a model identifying factors promoting and reducing resistance to succession in FOBs (Figure 2.2.1).

Factors Promoting Resistance

Factors Reducing Resistance

Individual Level

Good health	→	←	Health Problems
Lack of other interests	→	←	Other interests
Identity with business	→	←	Ability to dissociate from the firm
Retention of control over time	→	←	Delegation of responsibilities to others
Fear of aging, retirement, and death	→	←	Opportunities for life and career planning
Avoidance of self-learning	→	←	Capacity for self-reflection
Avoidance of technical advice and consultation	→	←	Pursuit of technical advice and consultation

Interpersonal Group Level

Lack of open communication	→	←	Honest, informed communication is encouraged
Minimal trust	→	←	High level of trust
Heir(s) are or appear Disinterested, incapable, Inexperienced, or inappropriate	→	←	Heir(s) are actively and capably involved in the business
Minimal training	→	←	Mentoring is encouraged and practiced
Power imbalances	→	←	Shared power
Family conflicts or issues permeate the business	→	←	Family dynamics are separated from business issues
Nuclear and extended family members as potential heirs	→	←	Only child as potential heir

Organisational level

Culture threatens organisational development	→	←	Culture reinforces organisational continuity
Stability of organisational growth	→	←	Impending organisational crisis
Maintenance of structures promoting unilateral control	→	←	Organisational structure promotes functional delegation

Environmental level

Non-problematic environment	→	←	Problematic environment
Many industry requirements	→	←	Few industry requirements
Specialised professional prerequisites	→	←	Minimal professional prerequisites

Figure 2.2.1: A Model of Resistance to Succession in the Family Business

Four specific levels are showcased in this model for consideration: individual, group, organisational, and environmental. Within each level further characteristics are defined. The individual level, considered to greatly influence the success of succession, analyses the personality and stage of development of the owner(s) and includes their personal, emotional and development characteristics. The family system's focus of succession is the basis of the interpersonal group level and is

aligned to interpersonal and group dynamics. Cultural aspects and succession from a systems perspective are addressed in the organisational level. Generally, the environmental level influences are divided into either contingency or population ecology theory perspectives.

The Handler and Kram model makes a significant contribution by clearly identifying the complexities of family succession detailing the factors at all four levels that promote and resist change.

Le Breton-Miller et al (2004) stated that confusion surrounding the rules for selection is the factor responsible for disputes amongst executives and within families. While the establishment of rules has been identified as a cause for the failure of successions, minimal research has been conducted on the clarity of these rules. Rules should encompass consideration of the following factors namely, the composition of the succession task force, it's participants, determination of selection criteria, the procedures for evaluation and selection on a continuous basis, and the population demographic from where candidates should be selected. The relevant positions for the application of these rules should then be established (Le Breton-Miller, et al., 2004).

Ambrose (1983, cited in Le Breton-Miller, et al., 2004) suggested that the rules for the succession process must be conveyed early and clearly. This, they stated, would eliminate much indecision, insecurity, uncertainty, and delay. Dyck, et al. (2002) recommended that there be a level of concord on the manner of succession for e.g. which titles, privileges, and ownership assets will be transferred, at what time and, on what basis.

Central to the establishment of ground rules is the establishment of the period and scheduling of the succession. Handler (1990, cited in Le Breton-Miller, et al., 2004) found that it is important for the succession process to be slow and subtle. Timing factors include health, educational progress, and age of the parties of the parties involved. This implies that the succession process must be planned well in advance. Le Breton-Miller et al. (2004) added that the competitive environment also influences the timing of a succession. In this regard, a steady environment would allow for a stable and benign transfer of authority while a stormy and antagonistic environment

may require a swifter handoff as the exiting executive's skills become less relevant (Dyck et al., 2002). Thus it is important that a succession be timed in such a way that the successor is well groomed and the enterprise is in good condition when he/she takes over.

2.9 Talent Management

Tansley (2011) stated that there is no single or common meaning for talent in any one language, arguing that different organisations have differing perspectives on talent. Therefore current definitions of talent are usually specific to an organisation and are formed by the type of work undertaken. This makes it necessary for an organisation to clearly define talent as it will be important for the formulation of strong talent management policies and practices. These would then be shared across the organisation and is vital in the design and planning of training and development interventions.

According to Maria-Madela and Mirabela-Constanta (2009), a talented employee is not a person with an exceptional gift but rather one who is the most appropriate for the field in which s/he works. They contended that every employee must be evaluated in two dimensions: performance and potential. An employee can be regarded as talented if s/he has high potential and/or high performance.

Guthridge, Komm and Lawson (2006) stated that is more common-place for companies to view their talent management ability as a strategic priority. Their research however, reflected that it was senior executives who assumed individual blame as their business line-managers for paying insufficient attention and time to this issue. Further, insular thinking within and a lack of collaboration amongst business units were also perceived as major handicaps. Significantly, it was also agreed that talent-management processes and systems were not the chief problem in deficient succession-planning efforts. This information can be gleaned from the result of their study as reflected below (Table 2.3).

1	Senior managers don't spend enough time on talent management.	59%
2	Organization is „siloed“ does not encourage constructive collaboration and resources sharing.	48%
3	Line managers are not sufficiently committed to the development of people's capabilities and careers.	45%
4	Line managers are unwilling to differentiate their people as top, average, and underperformers	40%
5	CEOs, senior managers are not sufficiently involved in shaping talent management strategy	39%
6	Senior leaders do not align talent management strategy with business strategy.	37%
7	Managers do not address underperformance effectively, even when chronic.	37%

Table 2.3 Top 7 obstacles to good talent management

Source: Guthridge, Komm and Lawson (2008)

Table 2.3 Top 7 obstacles to an good talent management

Source: Guthridge, Komm and Lawson(2008)

From table 2.3 it is evident that senior managers and line managers approach to talent management impacts on succession planning.

Williams-Lee (2008) stated that McDonald's had to move away from being a company that depended on its high growth rate to provide opportunities for employees to obtain the expertise and capabilities needed to move up the company's leadership ranks. Instead, the company needed to be consistent and deliberate in selecting and developing leaders.

In line with the above McDonald's developed its first competency model for managers and individuals with management responsibilities (Table 2.4).

Core Competencies

Change Orientation

Involves one's openness to change as well as the ability to identify where it is needed and how to make it happen.

Communicates Effectively

The ability to convey one's thoughts verbally or in writing in an articulate, confident, and compelling manner.

Continuous Learning

Involves the on-going effort to learn from one's own experience, from other people, and from resources around him/her as well as to contribute to the learning of others.

Customer Focus

The orientation to keep in close touch with the needs and perspective of internal and external customers, and the commitment to take actions that serve them and benefit the business.

Drives to Excel

The ability and willingness to not only make continuous improvements but also the commitment to do what is necessary to help the organization make positive quantum leaps in its results and overall performance.

Holds Self and Others Accountable

Involves taking personal responsibility for meeting commitments and ensuring that results are achieved. It includes ensuring that expectations are made clear, priorities established, focus maintained, and tough decisions addressed.

Problem Solving and Innovation

Involves the ability to approach problems in a logical, organized manner and develop effective and innovative solutions that help to significantly enhance business performance.

Teamwork and Collaboration

Involves working cooperatively and collaboratively with others, and acting in ways that support the success of the overall McDonald's team and system.

Values and Respects Others

The ability to relate to and work with others in ways that draw out the positive potential of differences. Encourages and supports diversity of thoughts and perspectives.

Table 2.4.1 McDonald's Leadership Competency Model

Source: Williams-Lee, 2008.

Leadership Competencies

Coaches and Develops

Involves working with others in a helpful, purposeful way in order to increase their competence, confidence, and capability to make significant contributions to McDonald's.

Maximizes Business Performance

Demonstrating and practically applying an understanding of the key drivers and financials of McDonald's business in order to help maximize its long-term performance

Maximizes Team Effectiveness

The ability to lead teams to achieve business results by selecting the right talent, getting the most out of each team member, leveraging the synergy of people working together, and creating team confidence and enthusiasm.

Strategic Perspective

Involves the ability to understand, formulate, and communicate sound business strategy and to implement it in a clear and consistently focused manner.

Table 2.4.2 McDonald's Leadership Competency Model

Source: Williams-Lee, 2008

This model comprised of four leadership and nine core competencies (Williams-Lee, 2008). The core competencies comprise of a broad grouping of essential expertise, knowledge, skills, and actions that directly support McDonald's business strategies and culture. Additional competencies were developed by functional areas to address the critical knowledge, skills, and abilities specific to them.

To integrate these competencies into hiring, selection, and development processes the following tools were created and implemented (Williams-Lee, 2008):

- a. Job outlines to recognise the most critical proficiencies for a given position
- b. Recruitment tools to support the model
- c. Individual development plans (IDP) to recognise each staff member's strengths and developmental opportunities with respect to the position's proficiencies.

Although it provided a framework for linking employee development to leadership capabilities, the competency model did not adequately address the need to intentionally identify and develop future leaders (Williams-Lee, 2008). After analysing leadership development and succession the following gaps were revealed:

- a. No understanding of the competencies and critical expertise needed to address business challenges, both current and future.
- b. Insufficient ability in identifying high potential candidates and accelerating their development.
- c. A decline in the diversity of the leadership profile.
- d. Absence of proactive approach in retaining top talent.

To address these gaps, succession management processes and a leadership development curriculum was developed.

2.10 Limitations of Current Available Literature

The literature reviewed involved research mainly conducted on employees working in managerial roles in the retail industry. Few studies were found that conducted research on front-line retail employees and none of them were conducted in South Africa. The research of this study can thus be regarded as providing knowledge in an area which has not been studied greatly.

2.11 Conclusion

The literature review above illustrates that employee turnover is a active process that evolves over time. Furthermore, it established the clash between employer philosophies with employee views towards training and career planning. As a result, conflicted perceptions exist in a work environment. This study demonstrates the importance of retail in the economy and explored the negative perceptions of retail as a career destination. Factors that contribute to employee turnover were emphasised. The literature review concluded with an examination of the application of succession planning and the recognition of talent in the regulation of employee turnover. Thereafter, the shortcomings of the available literature were discussed.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this chapter is to describe the research methodology employed in obtaining the results of the study. It provides a background to the company and includes a discussion on the core research design, the sampling and the data collection. The statistical techniques used to analyse the results are also discussed.

3.2 Background

Gorima's is a chain of thirteen (twelve at the time of the study) retail stores specialising in the sale of spices and related products. It is a privately owned chain that is supplied with 65% of its products from a company-owned manufacturing and distribution centre. At the time of the study, Gorima's had a total of 115 employees. Of these, thirty three employees were employed at the distribution centre. For the purpose of this study, only employees working in the retail stores were surveyed.

Eleven of Gorima's branches are located within the greater Durban area (a 20km radius of the Durban CBD) and only one located outside of it.

The employee turnover rate from November 2014 to October 2015 was calculated using the resignation rate calculation in Grobler, et al (2006, p.126).

Turnover rate = employee resignations/average number of employees for period

The average number of employees working in Gorima's for the twelve-month period was 82 employees whilst 77 voluntarily resigned during the same period. The turnover rate was 94%. This is high and deserves an investigation into the reasons for the chain's elevated employee turnover tempo.

Date	Employee number	Voluntary resignations
Nov „13	84	4
Dec „13	88	8
Jan „14	85	7
Feb „14	82	8
Mar „14	85	4
Apr „14	85	10
May „14	87	9
Jun „14	77	9
Jul „14	75	4
Aug „14	74	5
Sep „14	79	9
Oct „14	83	0
Average	82	
Total		77

Table 3.1 The number of permanent employees and resignations for Gorima"s from November 2013 to October 2014

3.3 Research Design

The research design presents a plan in consideration of all aspects for the correspondence of the conceptual research problem to relevant and practical empirical research (Ghauri, 1995).

The research utilized quantitative research methods only. With regards to qualitative studies the researcher"s observation plays a big role and data tends to be verbal or behavioural in nature. Qualitative research data consisted of non-numeric information such as descriptions of behaviour or the content of people"s responses to interview questions.

When deciding on the basic type of research to conduct, two opposing types existed: logical positivism and anti-positivism. Wellman and Kruger, (2001) explain that the positivism approach aims to formulate laws that apply to populations and that

explains the cause of objectively observable and measurable behaviour. Anti-positivism on the other hand makes a case for the researcher to be involved in the measurement, experiencing it first-hand.

Phenomenology is a sub-group of the anti-positivism approach. This method distinguishes research in the business sciences from imitation of the natural sciences through detachment from the phenomenon of study.

Positivism has quantitative research aims while anti-positivism has qualitative aims. Quantitative data consist of numerical information. (Whitley and Ball, 2002).

The design chosen is a descriptive research design. There is no control group and all variables are measured using a questionnaire. The research is primarily quantitative so that the aims of the researcher are achieved by acquiring insight into the research problem.

The current study will conduct descriptive research in order to describe the characteristics of an existing phenomenon. The existing phenomena in the current study are factors that affect employee turnover at the above organisation namely, Gorima's.

A single phase quantitative design will be used to describe the factors for employee departure from the Gorima's retail division. The number of employees at Gorima's was determined from the researcher's collation of data that was retrieved from the company's unemployment insurance fund submissions. This facilitated the calculation of the average number of employees as well as the number of resignations that occurred over a twelve-month period.

A research assistant was used to conduct personal interviews with employees working in Durban branches. For the only non-Durban branch, in Pietermaritzburg, the research assistant conducted telephonic interviews.

All subjects were given an Informed Consent Letter (appendix 1) that: (a) described the aims of the study, (b) explained the intended use of such a study, and (c) explained the rights of the subject in the study. Every subject was then required to

give written consent to being surveyed prior to the research assistant continuing with the interview.

Although the sampling plan forms part of the basic research design, it will be discussed in a separate section below.

3.4 Sampling Plan and Design

The sampling plan entails the choice of sampling method to be followed as well as a definition of the population and the sampling frame.

Samples have to be drawn from the population as it is often impossible to test the entire population due to time and monetary constraints. To ensure that the sample is as completely representative of the population as possible and for results to be generalised, a good sampling plan is required. Salkind (2000) explains that the theory underlying sampling is the selection of a sample that is as close as possible to representation of the population as observation of this will be accurate for the population in entirety.

The two basic types of sampling design that exist are probability and non-probability sampling. In non-probability sampling the likelihood of selecting any one member of the population is unknown and some are not provided a chance.

One type of probability sampling is simple random sampling. Due to the difficulty or impossibility of obtaining a population list (sample frame), amongst other items, Cooper (2003) indicates that simple random sampling is frequently unfeasible. In a statistical sense, a more useful sample is one that provides a given accuracy (standard error of the mean or proportion) with a smaller sample size. (Cooper, 2003).

Cooper (2003) describes four alternative probability-sampling approaches:

- Systematic sampling
- Stratified sampling
- Cluster sampling
- Double sampling

Due to the relatively small size of the population and geographical location of the Gorima's branches in proximity to each other, it was decided that the entire population would be surveyed.

3.5 Population

The permanent employee is defined as an employee that works 45 hours per week and has a permanent contract. The target population would be all permanent employees of Gorima's at the time of the survey.

3.6 The Sampling Frame for the Questionnaire

Since the entire population was targeted, it was not necessary to choose a sampling method like probability or non-probability sampling. The questionnaire was administered to persons who were on duty when the researcher visited each branch. It was decided that the survey be conducted on specific days and times of the week when all employees would be on duty. To avoid the possibility of missing employees who would be away from work for their mandatory rest day, the survey was conducted in person on Friday 3 October and Saturday 4 October as no staff are given rest days on Fridays and Saturdays. Telephonic interviews were conducted on the Monday thereafter with staff on duty at the Pietermaritzburg branch.

At branches with extended trading hours, the research assistant's visits were chosen to accommodate factors such as the shift roster and lunch break times. Despite these measures, it was still not possible for the research assistant to interview all employees. This was due to the fact that some employees would be on leave – annual leave, sick leave or family responsibility leave.

3.7 Data Collection Instrument – Questionnaire (Appendix 3)

A key to gathering good research results is good questionnaire design (Zikmund, 2003). The research investigates the factors that contribute to employees' decisions to resign from Gorima's and the attitudes underlying their decision. An attitude can be described as a lasting disposition to constantly respond in a given manner to aspects of the world composed of affective, cognitive and behavioural components. A Likert scale (du-Plooy-Cilliers, et al., 2014, p. 159) was used to allow respondents

to indicate to how strongly they agree or disagree with statements regarding the working conditions at Gorima"s, labour practice and reasons for the company"s high employee turnover.

3.8 Questionnaire Design

3.8.1 Structure of the Questionnaire

The questionnaire was made up of four sections. The first section encompassed biographical details such as age, gender, education level, marital status, etc. The second part of the questionnaire looked at the satisfaction of the employee in his/her job and asked about specific aspects of working terms and conditions like remuneration, hours of work and performance evaluation. The third section of the questionnaire investigated similar factors as those in section two with the difference being a question to the employee on the training provided on various aspects of their job description at Gorima"s. This third section concluded through questions of an awareness of employee requirements for success at Gorima"s. The final section asked the employee for their opinion on the high turnover of employees at Gorima"s and the possible reasons for this. The questionnaire was balanced as it compared the job satisfaction of the employee with the possible reasons that surfaced from the human resource practice being investigated. It also reviewed the employee"s perception of turnover of Gorima"s and what he/she believed could be done to reduce it.

3.8.2 Factors Investigated in the Questionnaire

Income, lack of career advancement, working hours, poor staff recognition, training, communication, poor staffing levels, staff facilities and staff uniform were recorded as factors that influenced turnover (Hendrie, 2004). The research went further by looking for more biographical detail of the employee. The biographical detail was broken down into age, education level, gender, marital status, living arrangements, number of dependants, tenure and job title. Arthur (2001, p.222) cited reasons for high turnover. The reasons relevant to the Gorima"s environment were brought up in the questionnaire.

3.9 The Method of Data Collection

The entire population was targeted to obtain responses from employees working at Gorima's. The data was collected personally using the QuestionPro app on a tablet computer. The data was stored electronically on a cloud-based server that is backed up by QuestionPro. This made the need for physical questionnaires redundant and allowed data analysis to be conducted more efficiently. One research assistant was employed and he was trained on the procedure for the explanation of questions in an unbiased manner.

3.9.1 Personal Interviews

Gorima's, like many other retail organisations in South Africa, do not have internet enabled workstations in-store for employee use. Therefore, the use of a web based questionnaire would not be accessible to most of the elements of the population. In addition, web based questionnaires cannot guarantee that the targeted respondent is the actual person who completes the questionnaire. The above reasons support the reasons for the non-usage of a web-based questionnaire.

Other surveys in the past have been conducted by post, where respondents were mailed their questionnaires together with a self-addressed return envelope (Hendrie, 2004). Gorima's employee records showed addresses when the employee first joined the company and is not updated regularly. South Africa's postal service has been dogged by reports of poor service delivery increasing the probability of a higher number of non-responses. Coupled with this is the fact that no assurance can be provided for the respondent being the actual employee. Gorima's views personal intervention as the most reliable source of contact. The personal interview mitigates all of the above factors and therefore was the communication vehicle used for data collection.

3.9.2 Telephone Interviews

The research assistant was unable to travel to the Pietermaritzburg branch of Gorima's to conduct personal interviews. For this branch only, telephone interviews were conducted. Prior to conducting the interview, the research assistant faxed the informed consent and consent letters as will be explained in 3.9.3 below. He also

faxed a copy of the entire questionnaire for the respondent to read while being interviewed. Prior to commencing his interviews, the research assistant ensured that all respondents had faxed their signed consent forms to him. At the time of the study, the Pietermaritzburg branch had 5 permanent employees. It is not believed that conducting telephonic interviews with them would have a material effect on the outcome of the research.

3.9.3 Informed Consent and Consent Letters

The research assistant was instructed to read aloud and explain the informed consent letter to each respondent (Appendix 1 and 2). After confirmation that the respondent understood the reason for the survey, each respondent was asked to complete a consent form authorising the research assistant to continue with the interview. To keep respondent's answers anonymous these forms were not linked to their questionnaires.

3.9.4 Interview Environment

An intercept study was employed through the dispensation of a conventional questionnaire in a predetermined environment. This was the respondent's place of work. All interviews were conducted in either the stock room or kitchen of the branch in which the respondent worked. This allowed for privacy to assure the respondent of anonymity. As privacy was assured, the respondents could be recognised as truthful. The survey instrument was administered on the 3rd, 4th and 6th of October 2014 to the identified sample set.

Gorima's employees were most co-operative with the questionnaires. No problems were anticipated except for the fact that employees might be on leave during the days of the survey. The researcher was cautious not to disrupt the daily routine or pace of work for Gorima's employees.

3.10 Data Analysis

The scrutiny of data entailed the reduction of the collected information to a manageable size, the development of summaries and the application of statistical techniques. The statistical analysis includes various descriptive statistics as initial stage leading to an interpretation of the accumulated data. Inferential statistics were also employed as the hypotheses cannot be adequately addressed by descriptive statistics alone.

3.10.1 Descriptive Statistics

Descriptive statistics are forms of examination that provide ways for the reduction of large amounts of data to summarised statistics. The following descriptive statistics were used in this study: the mean, the mode, the median, the sample variance and the sample standard deviation. The statistics can be understood more easily than the original data and are described below.

3.10.1.1 Measures of Central Tendency

Central tendency are common measures of location that measure the centre of a group of scores called the mean, the median and mode. The mean or arithmetic average is worked out by the division of the sum of all the values by the sample size, the median is the middle more value when the data (per variable/question) is arranged from highest to lowest and the mode is the most frequent response provided by the respondents.

3.10.1.2 Measures of Dispersion

Measures of dispersion indicate the degree to which the observations differ from one another. Variance is the arithmetic mean of the squared differences between each observation and the arithmetic mean of the same observations. Standard deviation is the square root of the variance.

The results of the descriptive statistics will be presented in tabular form of frequencies and percentages as well as histogram.

3.10.2 Inferential Statistics

To enable the researcher to test the hypotheses, this form of statistics is required. In addition this helps in answering the research questions as well as draw conclusions that generalise their findings from the sample to the population of interest by making inferences based on probabilities.

3.10.2.1 Hypothesis Testing

The study uses the classical statistics approach which represents an impartial view of probability in which the decision making rests entirely on an analysis of available sampling data. A hypothesis is recognised; it is rejected or fails to be rejected, based on the sample data collected. The null hypothesis (H_0 , the statement that no distinction exists between the parameter and the statistic be compared to it) is used for testing.

a) One way Analysis of Variance (ANOVAs)

One way analysis of variance is the statistical technique for examining the null hypothesis that the means of several populations are equal (any observed differences are just due to coincidences of sampling). It uses a single factor, fixed effects model to compare the effects of one factor on a continuous dependant variable (Cooper and Schindler, 2003, p. 546). ANOVAs of the following variables: gender, age, marital status, tenure and position were conducted in order to detect differences between the variable groups, where at the 5% significance level, H_0 is accepted or rejected.

b) Multiple comparisons procedure

Research is rarely carried out solely to test the hypothesis. The need to look within the data and compare the mean score of a particular group with that of the other groups is at the core of research. Range tests find homogenous subsets of means that are not different from each other (Cooper and Schindler, 2003, p. 551). Multiple comparisons test the difference between each pair of means and indicate significantly different group means at a significance level of 0.05 or another level that may be specified by the researcher. The least squares difference test is one type of test used in the multiple comparison procedures.

3.11 Conclusion

The research methods employed for finding the results of the study has been discussed in this chapter. This included a presentation on the background of the target population, the essential research plan, the sampling and the data collection as well as the statistical methods employed to evaluate the results. The extent with which the research question has been developed required an investigative study designed to garner a thorough understanding of factors contributing to employee turnover at Gorima"s. This is a statistical study that tries to describe the likely features of the population by making inferences from the sample characteristics. While this study aimed to survey every employee of the organisation, convenience sampling was the rational option available for the researcher as all staff was not on duty at the time.

CHAPTER 4

PRESENTATION OF RESULTS

4.1 Introduction

This chapter outlines the results of the study, which are presented in the form of descriptive and inferential statistics using figures in the form of histograms, pie-charts and doughnut graphs reflecting measures of frequency and percentage. The findings are based on a sample which was drawn from the defined population of all Gorima"s branches.

In identifying factors that influence employee turnover, the researcher attempted to measure the overall satisfaction of employees as well as determine whether their satisfaction levels differ among the different groups of certain demographic variables like age, level of education, number of dependants, tenure and job function. The Chi-square test was used to find variables significantly associated with high employee turnover.

4.2 Descriptive statistics

The profiles of the sample as well as questionnaire responses are also presented using combination of graphs and charts. The results indicating the profile of the sample will be presented first followed by each of the three subsequent sections.

4.2.1 Sample Profile

The demographic variables of the sample presented in the tables below are age, education level, gender, marital status, living arrangements, number of dependants, length of tenure at Gorima"s and job function.

(a) Age

With regards to participants' age, more than half of them (60%) were older than 35 years (fig. 4.1).

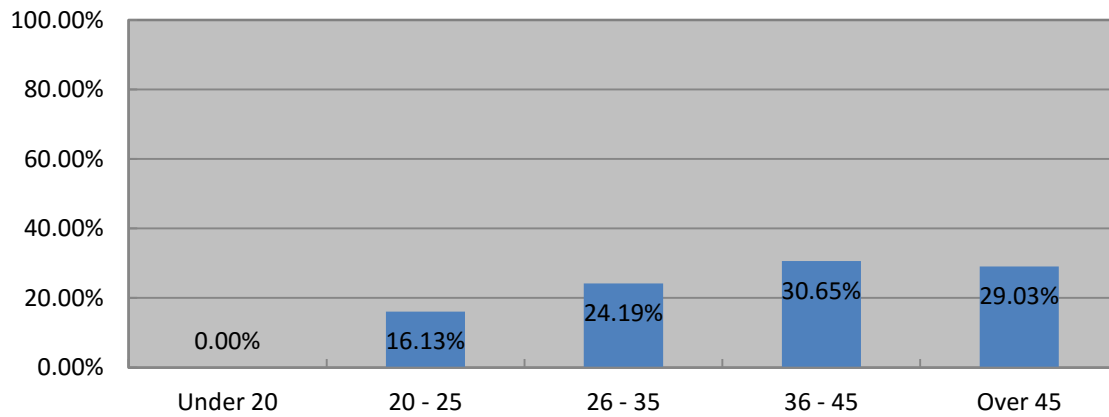
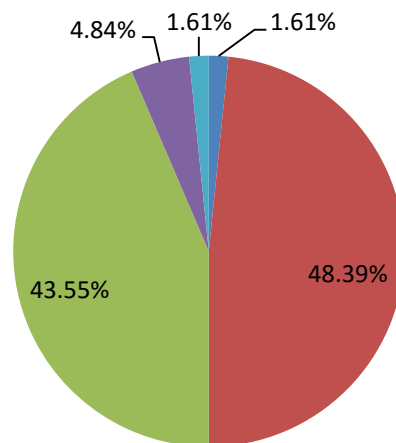


Figure 4.1 Age distribution

(b) Education level

The majority of the participants had matric or below matric qualification (92%)



■ Primary school ■ High school without Matric ■ Matric ■ Diploma ■ Degree

(fig.4.2).

Figure 4.2 Level of education

(c) Gender

Gorima"s is an organisation that largely consists of female employees as most of the participants were female (fig. 4.3).

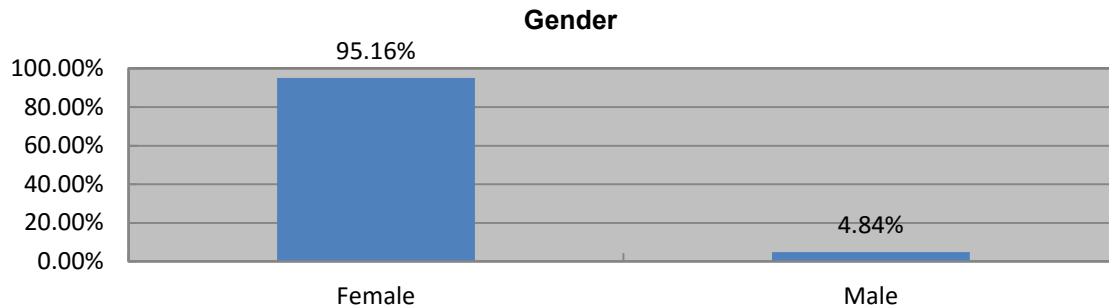


Figure 4.3 Gender Distribution

(d) Marital Status

Results of the survey showed that about half of the participants were single (47%) and just over a third were married (37%).

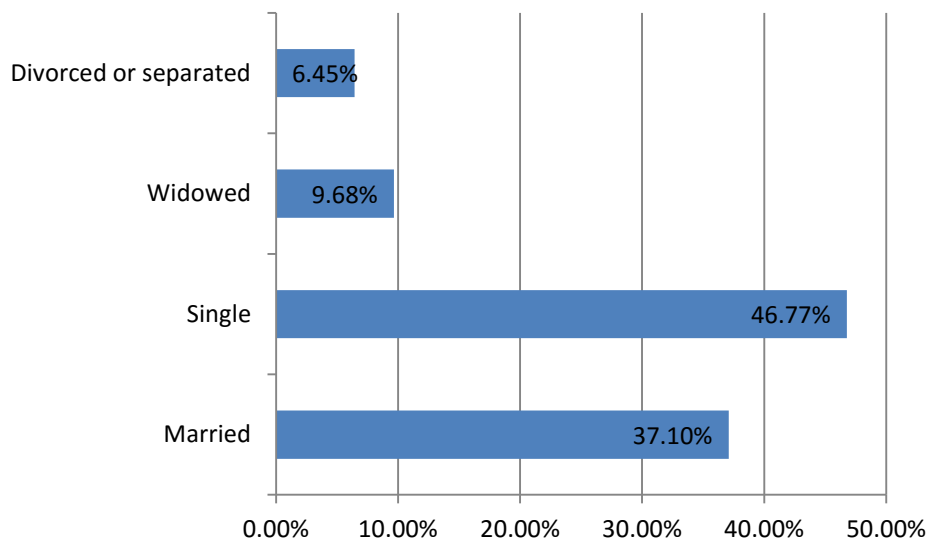


Figure 4.4 Marital status

(e) Living arrangements

More than a third of participants were living alone (42%) and 39% of them were living with immediate family.

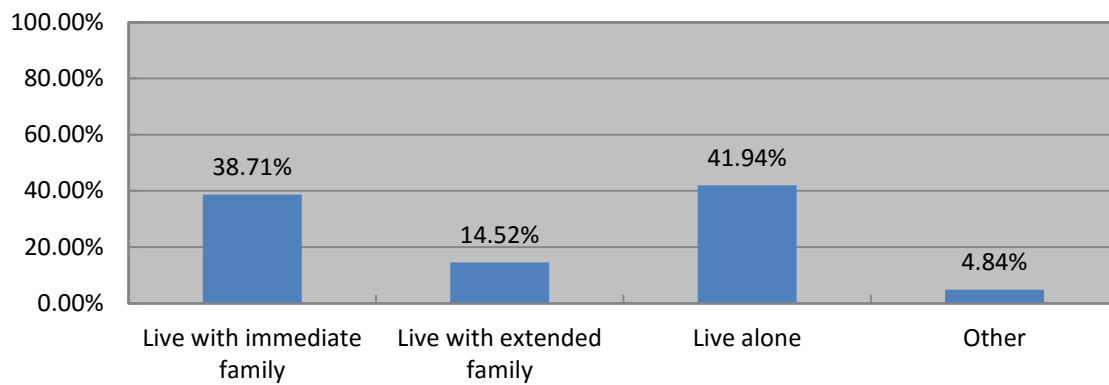


Figure 4.5 Living arrangements

(f) Number of Dependents

More than two-thirds (68%) of the participants had three or more dependants.

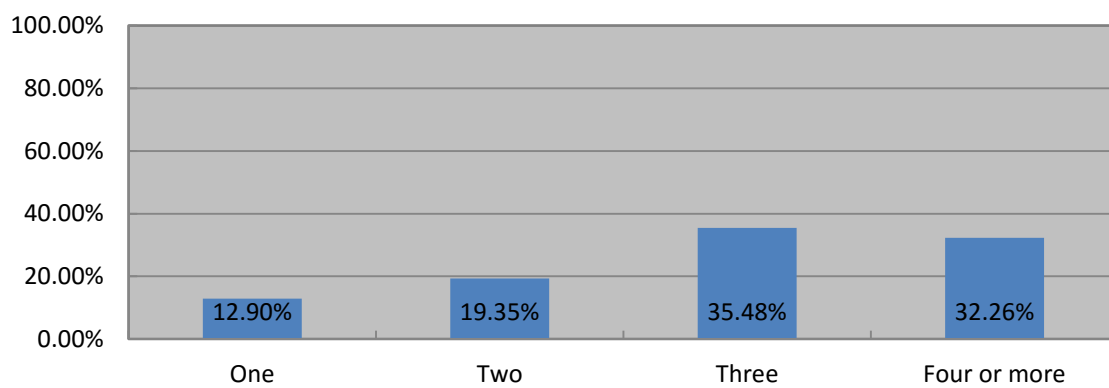


Figure 4.6 Number of dependents

(g) Length of tenure at Gorima"s

It was found that just over a quarter of participants (26%) were working at Gorima"s for longer than 4 years, while 24% were working for less than a year (fig. 4.7).

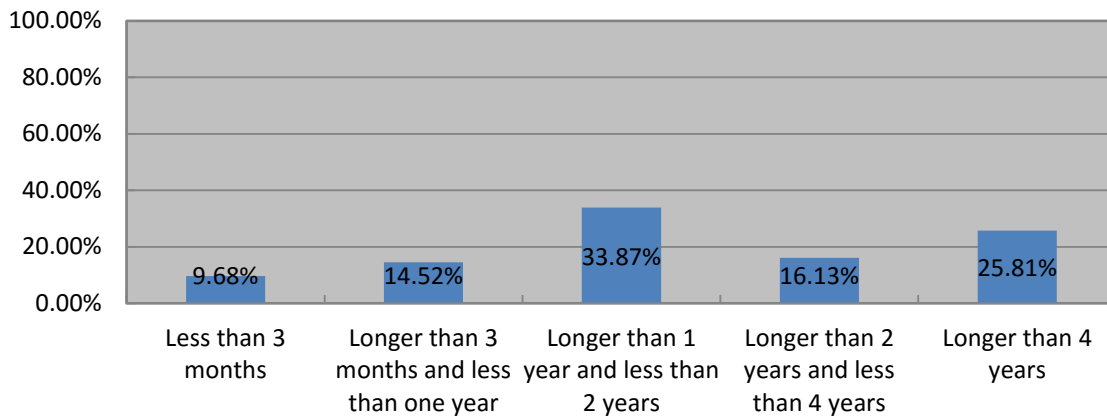


Figure 4.7 Years of working experience at Gorima"s

The length of tenure that stands out in the above figure is that of those working longer than a year and less than two years.

(h) Job function

According to the position of the participants, 31% were store assistants and 24% were cleaner and packers.

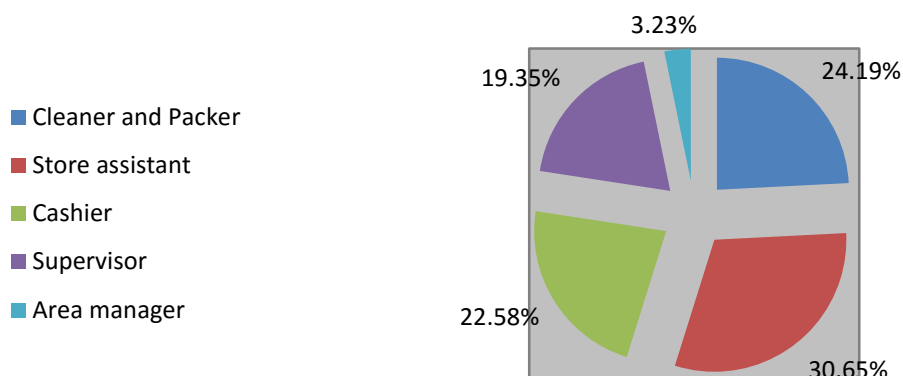


Figure 4.8 Position at Gorima"s

4.2.2 Responses to Satisfaction Scale

In section 2 of the questionnaire, employees were asked about their satisfaction with working at Gorima"s. Relation to this, six questions were asked ranging from general satisfaction to specific work requirements. The questions asked had to do with the overall satisfaction of employees, recognition and acknowledgement from supervisors, understanding of performance evaluation, fair remuneration, length of work-week and work on Sundays and Public Holidays.

(a) Overall satisfaction

The majority of the participants (75%) were satisfied working at Gorima"s (fig. 4.9).

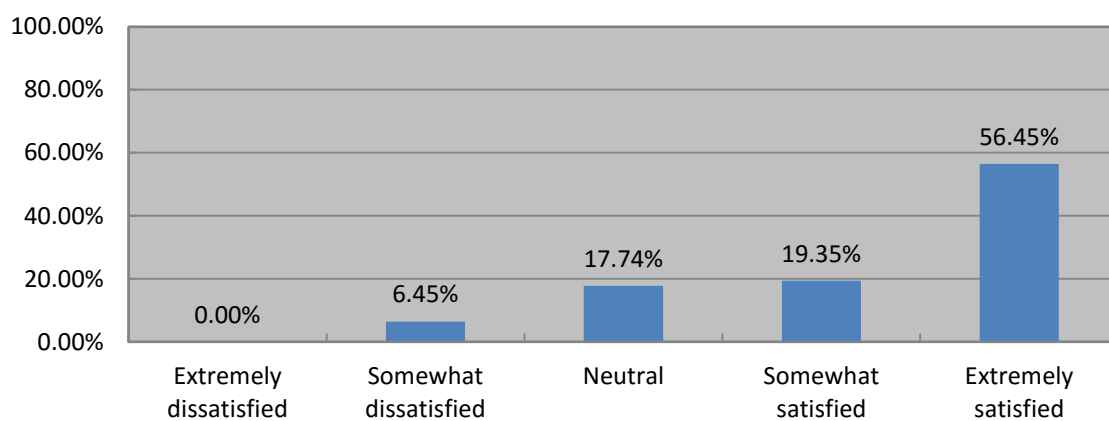


Figure 4.9 Satisfaction working at Gorima"s

Results showed that the majority of the participants were positive about working at Gorima"s (fig. 4.10 to fig. 4.15). For example, 87% agreed or strongly agreed that they received the right amount of recognition and acknowledgement, 88% understood what is expected of them to be recognized as a top performing employee. Less than half of the participants mentioned that they were fairly paid (42%). More than a third (34%) of the participants strongly disagreed that they were happy with the length of workweek at Gorima"s. A third highlighted that they were rewarded when they went above and beyond what was expected of them.

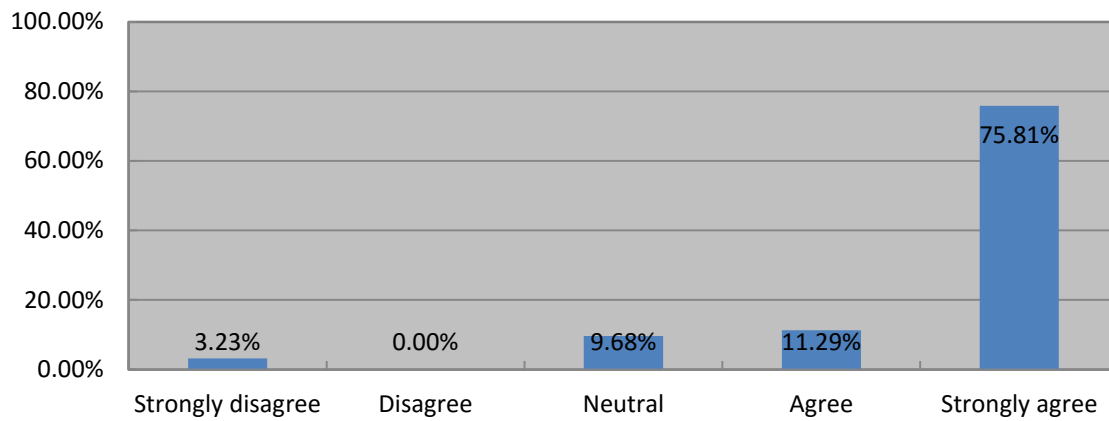


Figure 4.10 Received the right amount of recognition and acknowledgement from my supervisor

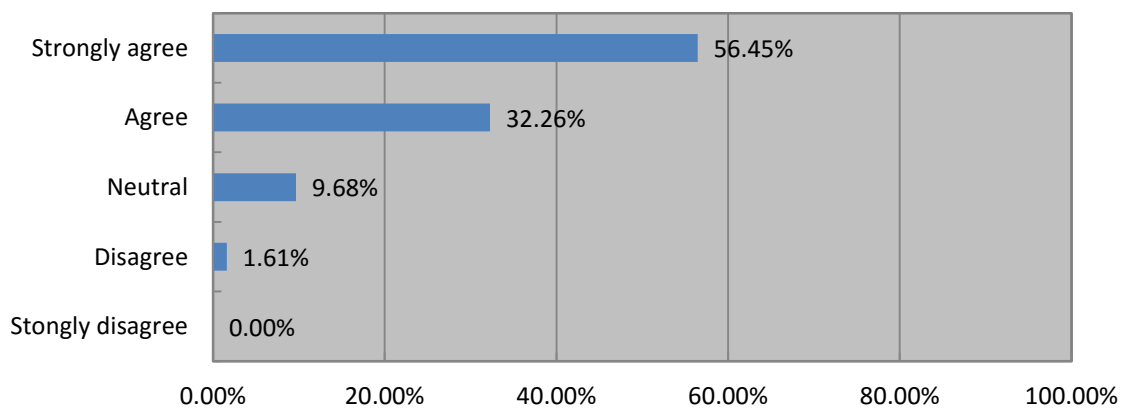


Figure 4.11 I understand what is expected of me to be recognized as a top performing employee

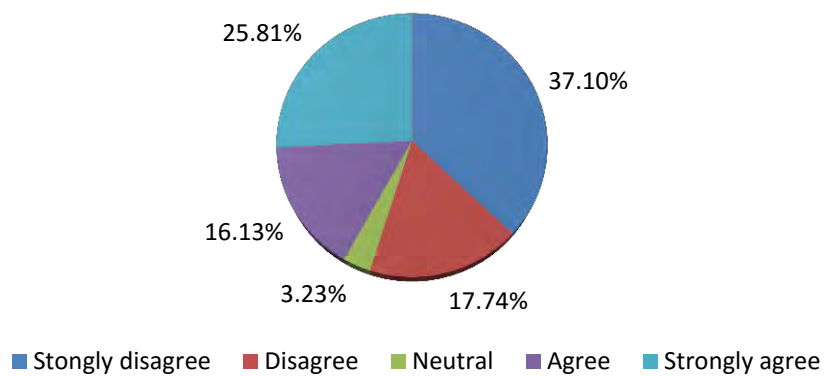


Figure 4.12 I am fairly paid for the work I do.

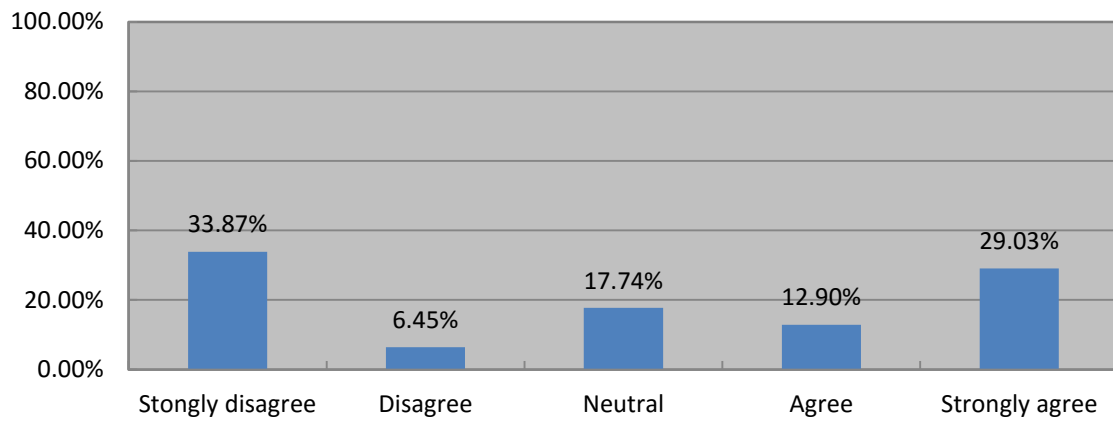


Figure 4.13 I am happy with the length of the work week at Gorima's

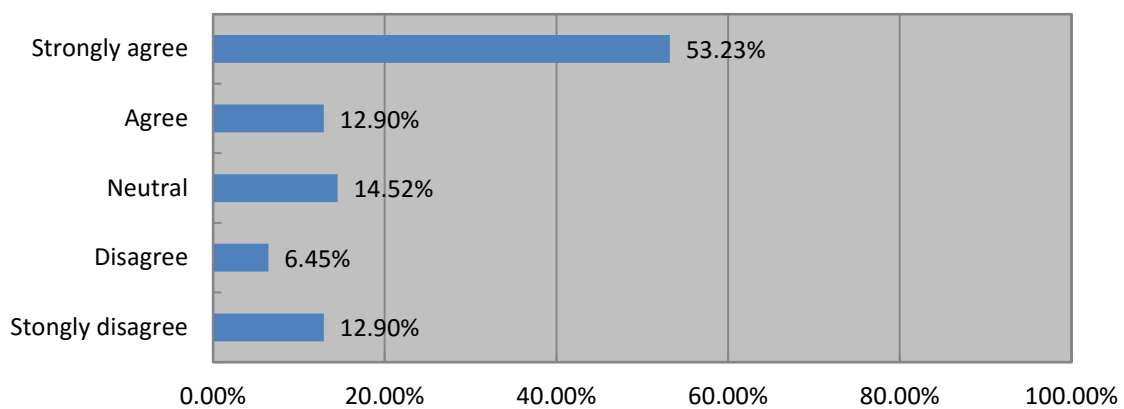


Figure 4.14 I am happy with the days allocated to me in the work roster.

I feel I am rewarded when I go above and beyond what is expected in my job.

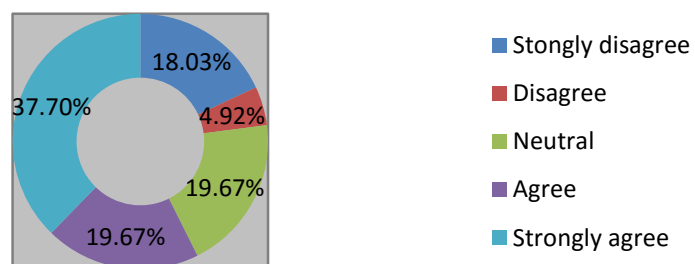


Figure 4.15 I feel I am rewarded when I go above and beyond what is expected in my job.

4.2.3 Responses to Human Resources Practice

In the third section of the questionnaire, employees were asked about their familiarity with human resource practices at Gorima's. Most of these questions relate to the training that is given to employees on commencement of their tenure as well as any on-going training that takes place. Employees were asked if they are rewarded for doing work outside of their job description, if they had been given adequate training with regard to (i) the products sold at Gorima's, (ii) customer service, (iii) standard operating procedures (SOP), (iv) the company's disciplinary code, (v) the various job levels and (vii) what to do to get promoted up these levels.

It was found that more participants received training with regards to selling the product, customer services, and SOP. But a significant number of participants strongly disagreed that they had been given adequate training with regard to selling the product (24%) (fig. 4.16). Also 25% negatively indicated that they received training to customer services (fig. 4.17) with regards to standard operating procedures, 25% strongly disagreed that they received training on SOP (fig. 4.18).

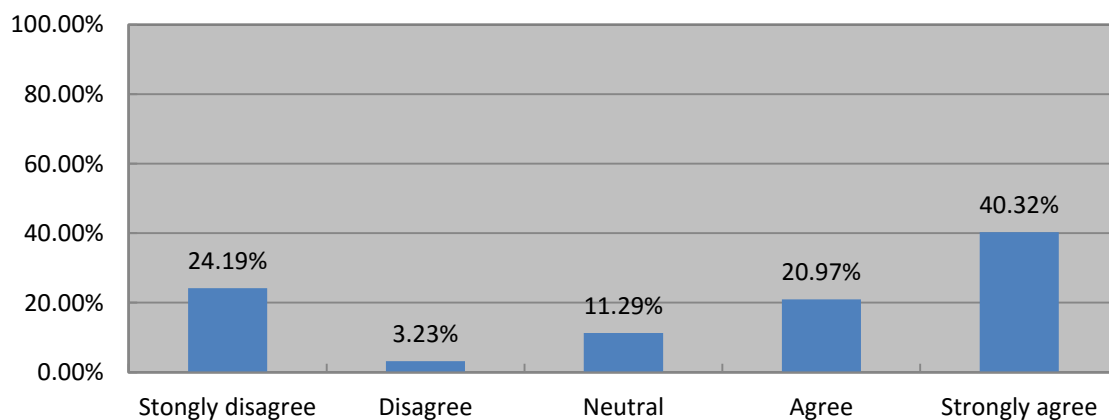


Figure 4.16 I have been given adequate training with regard to the products sold at Gorima's.

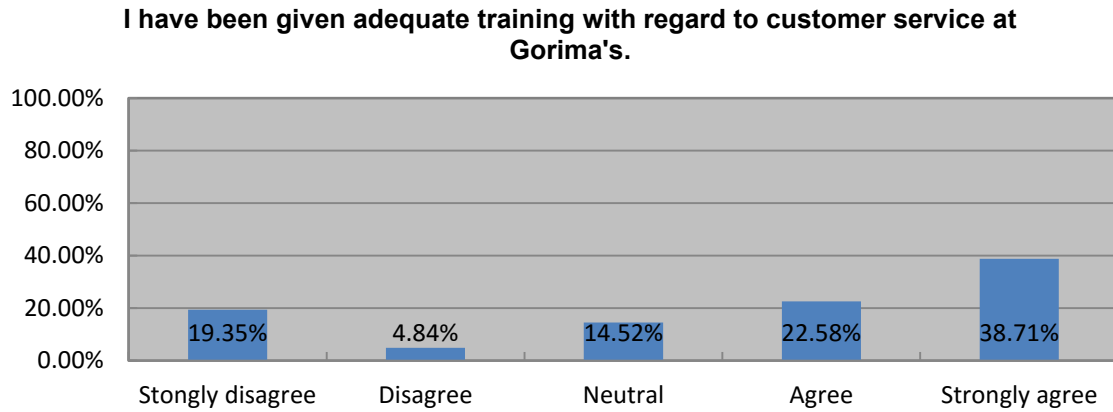


Figure 4.17 I have been given adequate training with regard to customer service at Gorima's

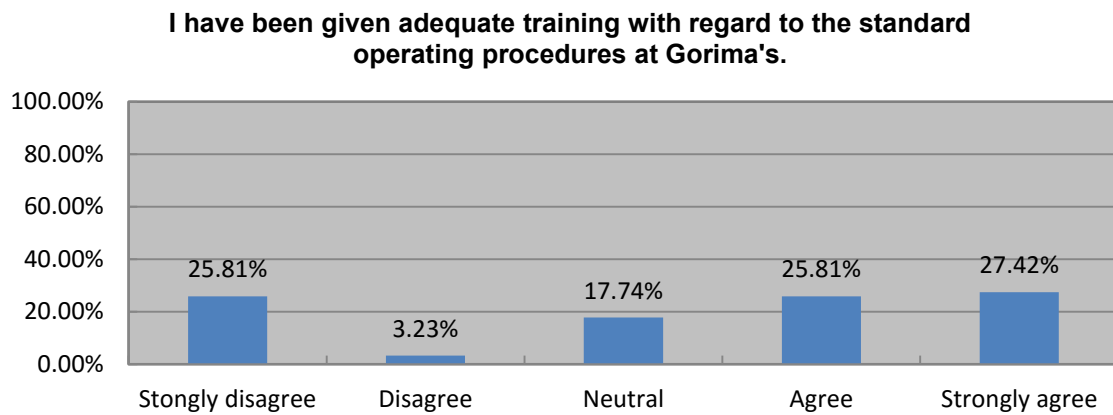


Figure 4.18 I have been given adequate training with regard to the standard operating procedures at Gorima's

The majority of the participants (77%) indicated that they were informed of the disciplinary code at Gorima's (fig. 4.19), and 82% highlighted that they were aware of the various job levels at Gorima's (fig. 4.20).

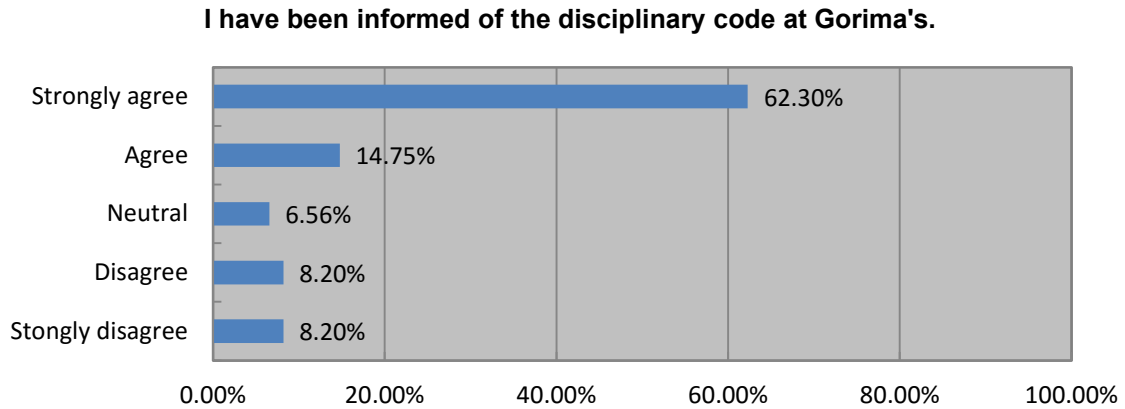


Figure 4.19 I have been informed of the disciplinary code at Gorima's.

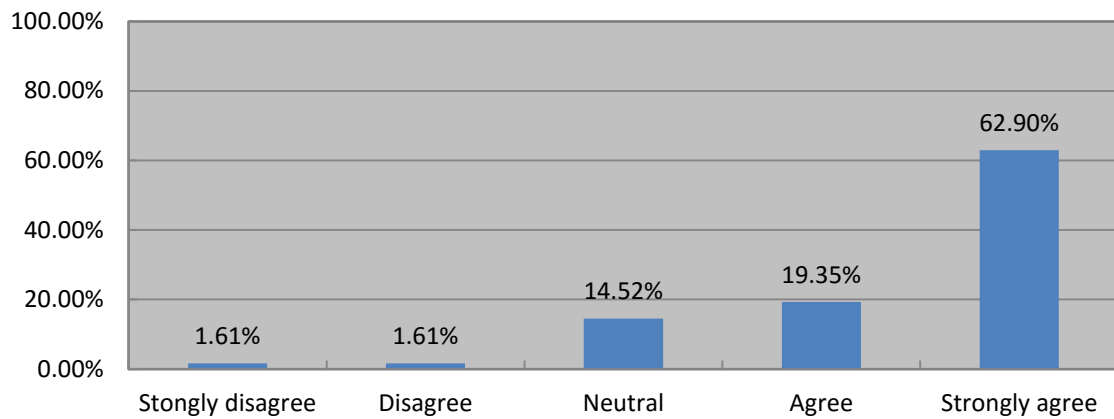


Figure 4.20 I am aware of the various job levels at Gorima's.

The majority of the participants knew about promotion policies at Gorima"s (fig. 4.21).

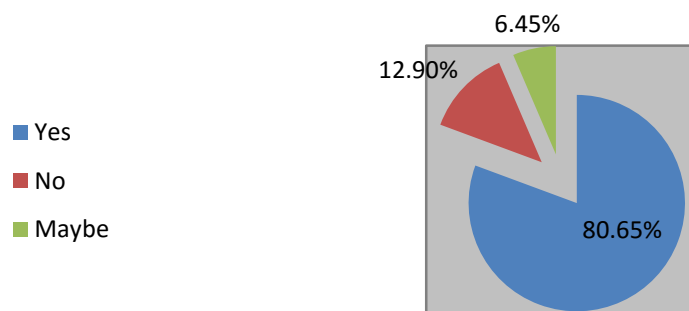


Figure 4.21 I know what to do in order to obtain a promotion at Gorima's.

4.2.4 Responses to reasons for separation.

The final section of the questionnaire consisted of four questions. Employees were asked if they perceived there to be a high employee turnover at the company, what were the reasons for employees leaving, why they would move to another employee and what benefits they would like to see added to their employment agreements.

Results showed that there was high employee (77%) turnover at Gorima's (fig. 4.22)

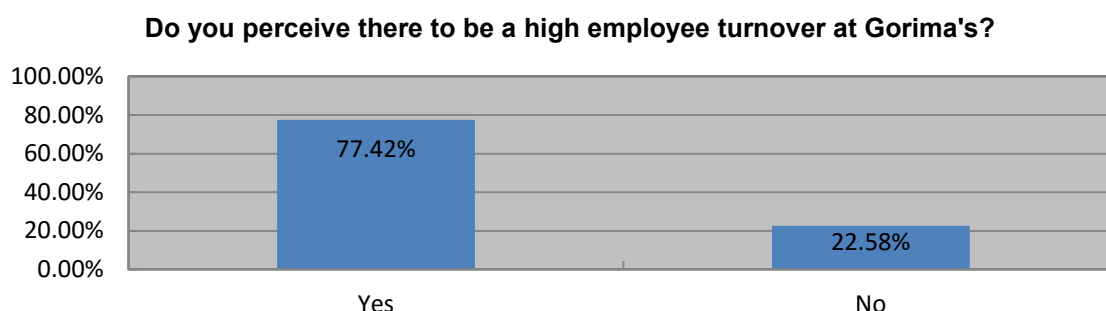


Figure 4.22 Do you perceive there to be a high employee turnover at Gorima's?

Participants were asked to provide reasons why their colleagues left the company. The main reason was work over weekend/public holiday (32%) followed by insufficient pay (25%), and long working hours (16%) respectively (fig. 4.23).

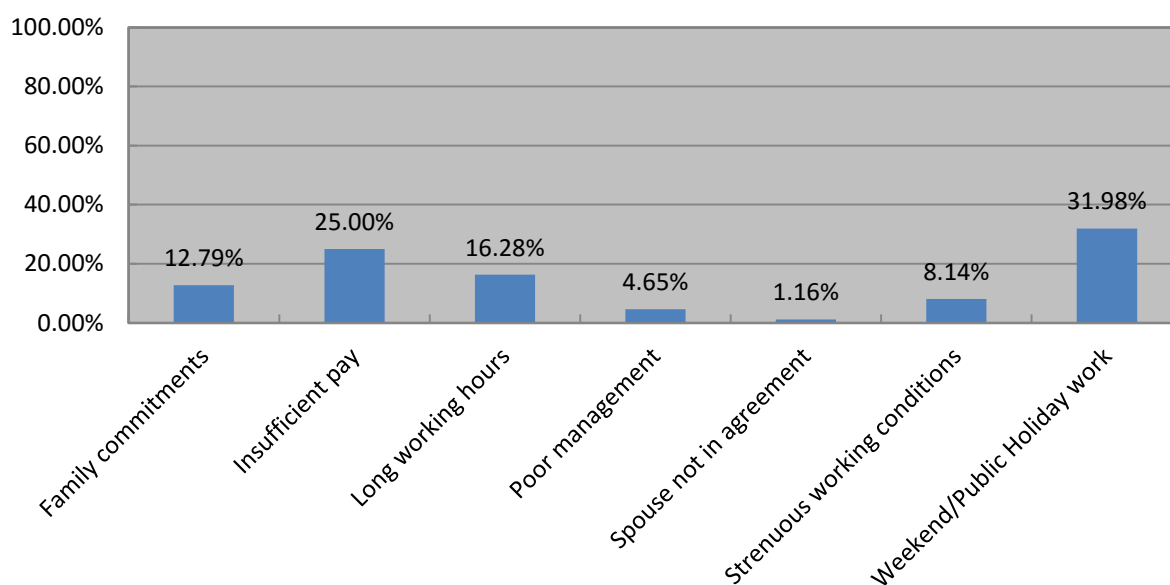


Figure 4.23 Reasons employees leave Gorima's

The results also highlighted that higher salary was the main reason to move to another employer (68%)

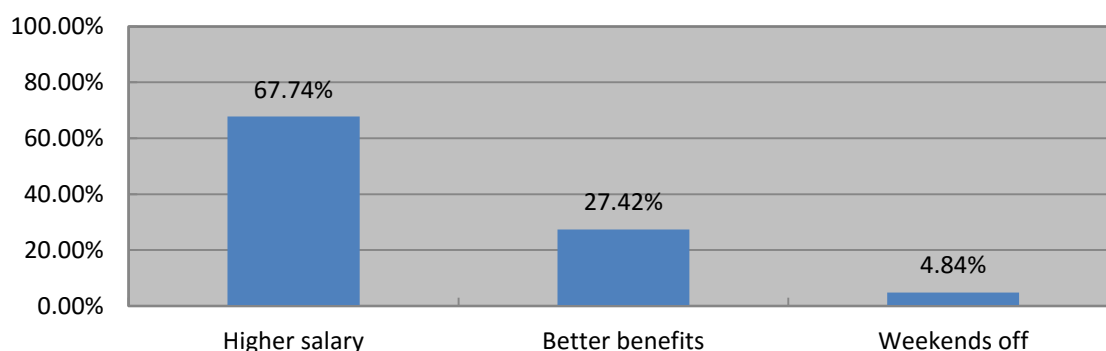


Figure 4.24: For which one of the following reasons would you move to another employer

When asked what benefits they would like added to their agreements, 44% chose a Provident fund/Retirement plan/Pension followed by Medical aid (40%).

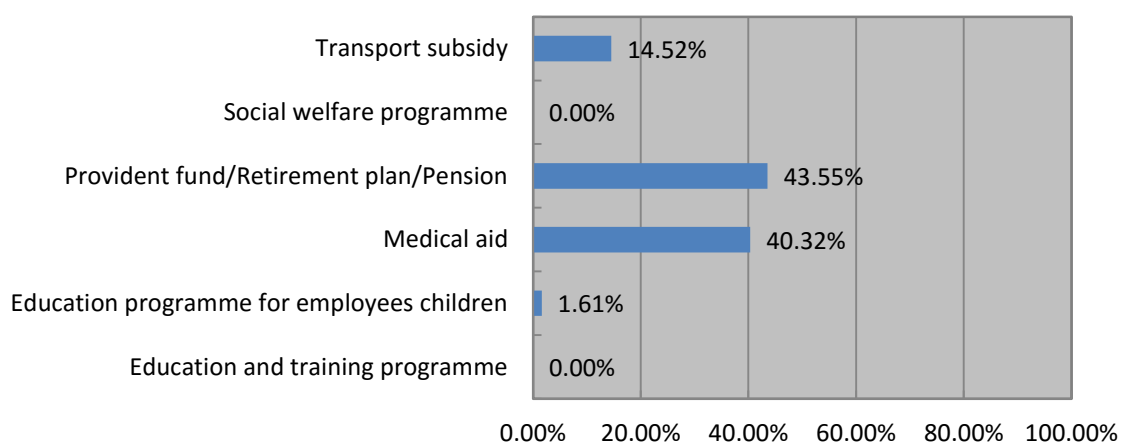


Figure 4.25 What should be implemented?

4.3 Reliability Analysis

4.3.1 Cronbach's Alpha

The reliability test showed that the data were reliable as the Cronbach's Alpha value was 0.831 (table 4.1).

Reliability Statistics	
Cronbach's Alpha	N of Items
.831	12

Table 4.1 Reliability test output

4.4 Inferential Analysis

Inferential statistics were based on the Chi-square test to test the hypothesis of the study. The Chi-squared test is one of association and was conducted to find variables significantly associated with high employee turnover. The result showed that living arrangements was the only variable significantly associated with employee turnover ($p=0.022$).

		Do you perceive there to be a high employee turnover		Chi-square	p-value
		Yes	No		
Age group	20 - 25	9	1	3.851	0.278
	26 - 35	13	2		
	36 - 45	12	7		
	Over 45	14	4		
What is your highest completed level of education	Primary school	1	0	1.747	0.782
	High school without Matric	22	8		
	Matric	21	6		
	Diploma	3	0		
	Degree	1	0		
Gender	Female	47	12	3.505	0.061
	Male	1	2		
Marital Status	Married	15	8	4.195	0.241
	Single	24	5		
	Widowed	6	0		
	Divorced or separated	3	1		
Living arrangements	Live with immediate family	14	10	9.638	0.022
	Live with extended family	9	0		
	Live alone	23	3		
	Other	2	1		
Number of dependants	One	4	4	4.382	0.223
	Two	9	3		
	Three	18	4		
	Four or more	17	3		
How long have you been working at Gorima's	Less than 3 months	4	2	6.046	0.196
	Longer than 3 months and less than one year	8	1		
	Longer than 1 year and less than 2 years	16	5		
	Longer than 2 years and less than 4 years	10	0		
	Longer than 4 years	10	6		
What is your position at Gorima's	Cleaner and Packer	12	3	1.746	0.782
	Store assistant	16	3		
	Cashier	10	4		
	Supervisor	9	3		
	Area manager	1	1		

Table 4.2 Chi-squared test results of Biographical data

		Do you perceive there to be a high employee turnover		Chi-square	p-value
		Yes	No		
Overall how satisfied are you working at Gorima's	Somewhat dissatisfied	4	0	4.249	0.236
	Neutral	9	2		
	Somewhat satisfied	11	1		
	Extremely satisfied	24	11		
I receive the right amount of recognition and acknowledgement	Strongly disagree	2	0	0.865	0.834
	Neutral	5	1		
	Agree	5	2		
	Strongly agree	36	11		
I understand what is expected of me to be recognised	Disagree	1	0	2.836	0.418
	Neutral	6	0		
	Agree	16	4		
	Strongly agree	25	10		
I am fairly paid for the work I do	Strongly disagree	20	3	2.921	0.571
	Disagree	8	3		
	Neutral	2	0		
	Agree	7	3		
	Strongly agree	11	5		
I am happy with the length of the workweek at Gorima's	Strongly disagree	19	2	5.642	0.228
	Disagree	3	1		
	Neutral	8	3		
	Agree	4	4		
	Strongly agree	14	4		
I am happy with the days allocated to me in the workplace	Strongly disagree	7	1	5.108	0.276
	Disagree	4	0		
	Neutral	7	2		
	Agree	4	4		
	Strongly agree	26	7		

Table 4.3 Chi-Square Employee satisfaction

		Do you perceive there to be a high employee turnover		Chi-square	p-value
		Yes	No		
I feel I am rewarded when I go above and beyond what is expected of me	Strongly disagree	9	2	2.327	0.676
	Disagree	3	0		
	Neutral	10	2		
	Agree	10	2		
	Strongly agree	16	7		
I have been given adequate training with regard to	Strongly disagree	13	2	4.655	0.325
	Disagree	1	1		
	Neutral	5	2		
	Agree	12	1		
	Strongly agree	17	8		
I have been given adequate training with regard to	Strongly disagree	10	2	1.722	0.787
	Disagree	2	1		
	Neutral	8	1		
	Agree	11	3		
	Strongly agree	17	7		
I have been given adequate training with regard to	Strongly disagree	14	2	2.419	0.659
	Disagree	1	1		
	Neutral	9	2		
	Agree	12	4		
	Strongly agree	12	5		
I have been informed of the disciplinary code at Gorima's	Strongly disagree	5	0	5.301	0.258
	Disagree	5	0		
	Neutral	3	1		
	Agree	8	1		
	Strongly agree	26	12		
I am aware of the various job levels at Gorima's	Strongly disagree	0	1	3.966	0.411
	Disagree	1	0		
	Neutral	7	2		
	Agree	10	2		
	Strongly agree	30	9		
I know what to do in order to obtain a promotion at Gorima's	Yes	37	13	1.966	0.374
	No	7	1		
	Maybe	4	0		

Table 4.4 Chi-Square Human Resources

		Do you perceive there to be a high employee turnover		Chi-square	p-value
		Yes	No		
For which one of the following reasons would you move to another employer	Higher salary	33	9	3.604	0.165
	Better benefits	14	3		
	Weekends off	1	2		

Table 4.5 Chi-Square Separation reasons

4.5 Hypothesis testing

A hypothesis was formulated to test whether there was a significant difference between intrinsic factors and extrinsic factors in influencing employees' decision to leave.

H_0 : there is a significant difference between intrinsic factors and extrinsic factors that influence employees to leave.

H_1 : there is no significant difference between intrinsic factors and extrinsic factors that influence employees to leave.

The results of the ANOVA test are shown in Table 4.5 above. The p-value of 0.165 represents a significance level greater than 5%. There is a significant difference between intrinsic factors and extrinsic factors in influencing employees to leave.

4.6 Conclusion

The results of the research study have been described in this chapter. A questionnaire, divided into four sections, was administered to Gorima's employees. They were asked a variety of questions, each related to the topic of their respective sections. Descriptive statistics were run on the responses of the questionnaire to determine the percentage of each question. The cronbach's alpha was computed to assess how consistent the results were and the measurement scale was found to be reliable. For inferential statistics, the Chi-squared test of association was conducted to find variables that were significantly associated with high employee turnover. Only one hypothesis test was conducted to determine the extent of the employer's role in

employee separations. The interpretation of these findings will be discussed in the next chapter.

CHAPTER 5

DISCUSSION OF RESULTS

5.1 Introduction

The following chapter conglomerates the results of the previous chapter jointly with the literature review discussed in chapter two to give an analysis and interpretation of the results produced. The discussion is organised under the titles of the five research questions proposed in chapter one to show how the outcomes and literature review match the research questions. The analysis will look at the factors most relevant to each research question.

5.2 What are the key factors responsible for the high rate of employee turnover at Gorima's?

Mobley (1982) viewed employee turnover as a process occurring not out of a single event but rather as a combination of events and circumstances. From the results of the survey, it is possible to identify a set of events and circumstances that would contribute to the high rate of employee turnover at Gorima's. Demographic characteristics alone may be a factor contributing to what would be termed as a natural turnover rate. Their combination with other factors in the survey can point to why the turnover rate is abnormally high.

Age

The survey found that just over 40% of the respondents were under the age of 35 with 16% being under the age of 25. Retail has been known to have a poor image as a career destination (Hart, et al., 2007). Less than 25% of students perceive retail to be an attractive industry to work in (Broadridge, Maxwell and Ogden, 2007). While it is generally perceived that mainly young people work in retail, the results of the survey show otherwise. Even though the majority of employees at Gorima's are over the age of 35, at least one third of employees are at an age that would see working in retail as a stepping stone to another job.

Tenure

More than half (58%) of respondents have been in Gorima's employ for less than two years. Despite the negative perceptions of retail, people enter this sector due to factors like the high unemployment rate in South Africa treating the industry more as a last resort and not a career choice. Entering this industry allows first-time job seekers the opportunity to get some much need work experience to their CV. This assists them significantly in moving to other industries for employment.

Gender

Gorima's at retail level is largely a female-run company (95%). Added to their belief that females generally have stronger selling skills in the spice trade, it is the intention of the company's owners to empower females in the workplace. In South African society, females are still regarded as the homemakers in the family unit. This makes it difficult to keep them committed in the work environment as employment becomes an added responsibility and not a substitute responsibility. For females, both young and old, who are single and have no dependants this is not a challenge. Similarly, for older females whose children are no longer dependent on them, employment is seen as a means of alleviating boredom.

Marital status

More than a third of the respondents were married (39%). Organisational commitment is difficult for female employees that are married with dependants. Being able to remain committed to both work and family is a tough proposition when the working hours required of retail are factored in. This is evident in the fact that 34% of respondents are not happy with the length of the workweek. Should an employee have young children this makes the proposition even more difficult. Evidence of this is the fact that 13% of respondents were unhappy with the days allocated to them in the work roster. If, however, the employee's living arrangements allow for a support structure to the employee's family this will give the worker more time to focus on her job.

Product knowledge training

While 61% of respondent"s agreed that they were given adequate training with regards to products sold at Gorima"s, almost a quarter (24%) of them felt they were not. Both Hendrie (2004) and Arthur (2001) cited a lack of training as a factor that contributes to employee turnover.

Customer service training

Responses regarding the adequacy of customer service training were similar to that of product knowledge training. Again, almost a quarter (24%) of all respondents felt that their customer service training was inadequate. Emotional labour has been formally defined (Morris and Feldman, 1996) and requires formal training to assist employees in avoiding emotional exhaustion and job dissatisfaction (Lewig and Dollard, 2003). The lack of this formal training at Gorima"s is a factor that contributes to employee turnover.

Standard Operating Procedures (SOP) Training

A greater level of disagreement and a smaller level of agreement was found when respondents were asked if they were given adequate training with regards to the company"s SOP. Inadequate training on SOP can lead to confusion amongst employees causing losses in the form of a diminished level of service to customers, the breakdown of equipment or wasted resources. Disciplinary action taken as a result of this may not be justified. Frustration amongst employees will occur contributing to their motivation to separate from the company.

Age has been found to be a moderator of the affiliation of pre-emptive personality with training-related variables (Bertolino, et al., 2011). Training rationale, recognised career development from training, and training behavioural intentions were found to be more positive amongst younger employees than for older ones.

Living arrangements

In the Chi-squared test of association to find variables significantly associated with high employee turnover only one variable was found. This was the living arrangements variable had a p-value of 0.022. A reason for this significant association could be the stressful combination of factors of age, marital status and number of dependants being eased through a living arrangement that would provide more support for the employee. A significant number of respondents indicated that long working hours (16%) and working on weekends and public holidays (32%) were the main reason for voluntary separations. Living arrangements that are supportive of an employee helps her to cope with the peculiar demands of working in retail, like that of the extended workweek and working on weekends and public holidays.

Rate of pay

More than half (55%) of all respondents disagreed with the notion that they were fairly paid for the work they do. The most noticeable disadvantage of working in small companies is that of pay terms as small businesses usually pay less than larger businesses and provide fewer or no added benefits (Gialuisi and Coetzer, 2013). A quarter of respondents (25%) cited insufficient pay as the main reason for their colleagues leaving the company. In addition, more than two thirds of respondents indicated that they would move to another employer for a higher salary. This three responses confirm that rate of pay is a key factor responsible for the high turnover rate at Gorima's.

5.3 What is the level of job satisfaction at Gorima's?

When asked about their satisfaction of working at Gorima's, 75% of respondents indicated that they were satisfied while 18% felt neither satisfied nor dissatisfied and only 6% were dissatisfied. More than three quarters (75.81%) of respondents said they received adequate recognition from their supervisors. Only 10% of respondents did not understand what was expected of them to excel at their jobs. These three factors indicate that employees are generally satisfied with their jobs.

5.4 Do the factors under the employers control account for the majority of employee separations?

Zeffane (1994) grouped the factors responsible for employee separations into four categories. One of these categories consisted of institutional factors like physical working conditions, pay, job skill and supervision.

More than 40% of respondents were not happy with the length of the workweek at Gorima's with 16% of respondents citing long working hours as the main reason why employees leave.

Rate of pay, as discussed in 5.2 above, is seen as the second most common reason for employees leaving. Two thirds (67.74%) of respondents indicated that they would leave their job for another one that offered higher pay.

The most common reason for employees leaving was the mandatory requirement that all employees work on weekends and public holidays. The policy of the company was that it would remunerate employees for working of public holidays. For work on weekends, employees would be given a rest day during the course of the week from Monday to Thursday.

Training was not cited as a reason for why employees have left nor as a reason for why an employee will leave. The number of respondents who felt that they were not given adequate training in product knowledge (27%), customer service (24%) and SOPs (29%) is significant to identify it as factor that would influence an employee to leave.

From the above it is clear that factors under the employer's control account for the majority of employee separations.

5.5 How can the effects of the factors not under the employer's control be minimised?

Of Zeffane's (1994) four categories, three of them are not under the control of the employee viz. external factors, employee personal characteristics and employee engagement. The questionnaire covered the latter two of these. In order to minimise

their effects, the employer would have to examine the relationship between its own policies that of these categories.

Tenure

With almost two thirds of employees being in service for less than two years, the employee would need to look at remunerating longer serving employees differently. This is evident in the fact that the majority of current employees would leave if offered a higher paying job elsewhere.

Living arrangements

More than a third (42%) of employees lives alone. This means that they do not have the support required when they are in need of personal attention for e.g. when off sick. In this regard, the employer should look at providing benefits for these employees that would enable them to have access to private care reducing their time taken off for sick leave. At least one in three respondents indicated that they would like a medical aid scheme implemented.

Number of dependants

A primary concern for any mother is her children. More than a third (37%) of respondents were married and all of them had at least one dependant. The majority of respondents (67%) had at least three or more dependants. This means that all employees had significant personal commitments outside the workplace. To assist in balancing an employee's job commitments with that of her personal commitments, the employer should look at factors like length of workweek, shift rosters and weekend/public holiday work. These can be made more flexible to accommodate employee personal commitments.

5.6 What would increase employees' organisational commitment?

It was found that the majority of respondents had a matric or below matric qualification. Almost half (48.39%) of all respondents went to high school but did not obtain their matric qualification. While it may be difficult for these employees to find employment elsewhere, it does not mean that they are necessarily committed to their

employer. If the company would like to follow a growth strategy, it would have to recruit new employees from outside the company. This is due to the dearth of skills available from the existing pool of employees.

At Gorima's there are only 5 defined job functions. Every branch has a cleaner/packer (24.19%), store assistant (30.65%), cashier (22.58%) and a supervisor (19.35%). Leading this team are the area managers (3.23%).

Rates of pay for these functions are in accordance with minimum wage regulations as set down by the Department of Labour (www.labour.gov.za). Employees working longer than two years are paid at the same rate as employees who have just started their tenure with the company.

The length of the workweek is the same for all employees, both old and new. No concession is made for longer-serving employees.

All employees are required to the same amount of hours regardless of the personal commitments they have. They are also required to work on weekends and public holidays despite the fact that some employees have dependants to take care of.

No extra benefits are afforded to employees at the end of the month. Remuneration is only in the form of cash paid.

From the above it can be seen that to increase employees' organisational commitment an investment must be made in the advancement of their skills. In line with a growth strategy, more job functions can be created for which employees' skills can be developed.

For longer serving employees, higher wage rates will be necessary to retain them. New employees should be advised of the higher rates available to longer serving employees.

Longer serving employees should be allowed more flexibility in their work schedules and shift rosters. For new employees this will be a visible motivation to commit to the organisation in the hope that they would one day qualify for such benefits.

It should become company policy that employees are given non-cash benefits like retirement funds and medical aid to further their organisational commitment.

5.7 Conclusion

The research questions looked at five interrelated issues. It first examined the key factors responsible for the high level of employee turnover. Thereafter it looked at the level of satisfaction employees had in their job. This was followed by investigating whether the majority of the key factors responsible for employee turnover were under the control of the employer. It was then discussed if these same institutional factors could be used to minimise the effects of external factors that cause employee turnover. The final research question asked what would increase employees' organisational commitment.

The key factors found to be responsible for high employee turnover had to do with institutional as well personal characteristics. Institutionally, factors like training and rate of pay were identified as key to high employee turnover. Personal characteristics like age, tenure, gender, marital status and living arrangements were also identified as key factors affecting employee turnover. While personal characteristics were greater in number, it was the institutional factors that had a greater weight.

Job satisfaction was determined to be high amongst employees. An overwhelming majority of respondents expressed their satisfaction at working for Gorima's

Contrary to the high levels of job satisfaction measured, it was found that institutional factors – both directly and indirectly – were responsible for the majority of employee separations. Factors like rate of pay, working hours and mandatory work on weekends and public holidays were identified as having a direct effect on turnover. Inadequate training was identified as indirectly influencing employee turnover.

To minimise the effects of factors not under the employer's control it was found that the approach used in determining policy for factors that are under the employer's control would have to be revisited. Incentives for longer-serving employees, employee assistance programmes and revised work schedules could help in curtailing the high level of turnover.

The findings in response to the first four research questions lead to the response to the final research question i.e. what is required to improve employee's organisational commitment. Introducing skills development programmes, creating new job functions, increasing the rate of pay, making work roster and schedules more flexible, and introducing non-cash benefits to employee contracts could all lead increased organisational commitment.

CHAPTER 6

CONCLUSION

6.1 Introduction

This section re-examines the work from Chapter one. The theoretical insights are emphasised, the recommendations for Gorima"s are listed, and future areas of research, centred on the current study, are outlined.

6.2 The expectations of the study

This study has attempted to identify the factors influencing employee turnover at Gorima"s. Chapter one highlighted four objectives of the research. The first three objectives of the study were to:

- measure the levels of job satisfaction amongst employees;
- identify the key factors influencing employees" decision to leave the company;
- determine which of these factors can be attributed to the organisation"s human resource management (HRM) practice.
- identify measures that must be implemented to retain employees.

The research questions addressed these by investigating factors that cause staff to resign and looked at:

- key factors responsible for the high turnover rate.
- the level of job satisfaction.
- which of those factors are under the control of the employer.
- how factors not under the employer"s control be minimised.
- what would increase employee"s organisational commitment.

This chapter will focus on the last objective: to identify measures that must be implemented to retain employees.

6.3 Summary of Study

Overall, general satisfaction was found to be excellent amongst employees. This level was not measured in depth, however. A simple question about job satisfaction was asked with respondents given a single choice out of five answers. In relation to this respondents were asked five questions. Employees indicated that they received an adequate amount of recognition and acknowledgement from their supervisors. They also understood what was expected of them to be recognised as a top performing employee. They were dissatisfied with their rate of pay, indicating that they were not fairly remunerated. A sizeable proportion of employees indicated that they were unhappy with the length of their workweek. In addition, one fifth of respondents were not satisfied with the days allocated to them in their work roster.

In the discussion of the study results, the key factors influencing employees' decision to leave the company were identified. Age, tenure (length of service), gender, marital status, training, living arrangements, and rate of pay were discussed.

The relationship between the company's HRM practice and the above key factors was examined. Factors like training and rate of pay can be controlled as they form part of HRM. External factors and employees' personal factors would have to be managed by the use of controls available to HRM.

6.4 Recommendations to Gorima's

The following are recommendations based on the literature review and findings of the study. It is recommended that (a) a formal training programme be developed, (b) a support team is built to implement and fine tune this training programme, (c) a career counselling programme be created, (d) the company's remuneration policy be reviewed, and (e) certain aspects of the company's HRM practice of the company be reviewed.

The formal training programme that must be developed should consist of at least three parts. The first part will be a general training programme meant for all employees. The second part would be meant for specific job functions like customer service training for store assistants. For the third part, it is important to understand if their employees see retail as a career target or as a springboard to other industries.

From this, training interventions can be chosen that match employees' objectives while enhancing their performance for the company. To ensure the effectiveness of such a training programme, it is necessary for the company to have a support team driving it.

Gorima's strategy is to grow in the medium to long term. To do this it needs to build a support team to sustain this expansion. To complement the hiring of staff from outside the company for this team, an internal marketing exercise must be done to highlight the vacancies available. Employees must be informed of the training courses that they will be sent for to fill these vacancies. Concurrently, or subsequently, employees should be engaged in discussion of their career plans

In the establishment of more back office roles, a management hierarchy will start to form in the organisation. All employees must be informed of this hierarchy as a means of creating awareness of the career progression that they can make. Formal career discussions and career counselling sessions should take place.

As rate of pay has been identified as a key factor for employee resignations, it is necessary for the company enquire about remuneration levels of other companies that operate in the retail environment. In response, salary adjustments may be necessary to lower the rate of employee turnover.

The final recommendation would be to reform the company's HRM practice. Aspects of individual employee's salary package needs to be reviewed so that employees feel they are more adequately rewarded for their service. The approach used in determining work schedules and shift rosters needs to be revised and supervisors, who prepare these, must be trained accordingly. It is recommended that at least one more staff member is hired per branch in order to shorten the work week and to give team members a day off on weekends.

6.5 Future Areas of Research

This study has shown that there are deep and intricate processes that drive turnover in retail. As a result, it opens a range of areas for future research. The target sample of this study was that of employees on the shop floor and did not explore management's viewpoint. The recommendation is that a qualitative study be conducted to investigate the perceptions of management with regards to the turnover rate at Gorima's. It is recommended that branch supervisors be included as part of the study due to the relatively flat hierarchical structure of management.

The sections of the study (Job satisfaction, HRM and Reasons for Separation) can each be a study on their own to provide more in-depth results. To measure job satisfaction in depth, for example, the Minnesota Satisfaction Questionnaire can be used. This would be relevant in finding specific aspects of the job that employees are not happy with.

The opportunity exists to study customer satisfaction at Gorima's in relation to the high turnover rate. This is to gain an understanding of the customer experience as they are exposed to new faces behind the counter on a regular basis. The study should focus on how customer loyalty is affected by high employee turnover.

The research has identified that while job satisfaction is high, employees would leave with little hesitation when offered another job with a higher rate of pay. In line with the recommendation that remuneration levels be revised, research on what the prevailing rates of pay in the retail industry are would be necessary.

This study specifically looked at turnover in one company in the food retail industry. It cannot be used to generalise the state of the retail industry in Durban. This should be taken and expanded to gain an understanding of the retail industry in the city, e.g. food retailers, clothing retailers and general merchandise retailers.

Retail is seldom seen as a career destination for employees due to its constricting factors on employees' personal life. The study found that employees were not happy with the length of the workweek. The retail industry is also known to have low rates of pay and few employee benefits. It is recommended that employee assistance programmes (EAP) of other industries are researched to find new ways of attracting

and retaining staff. The research could extend to overseas-based retailers known for being at the forefront of EAP developments.

6.5 Conclusion

This study has highlighted the multitude of factors responsible for voluntary employee separations in the company. It expands further on the commonly held perceptions of staff turnover in retail and shows that employees are satisfied working at the employer. However, they would resign if another higher-paying job opportunity arose. The methodology is impartial and can be used universally, in all sectors of retail, to gain a view of factors that push turnover in a retail environment. Employee turnover in retail presents a range of research prospects that should be further explored.

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Appendix 1: Informed Consent Letter

Informed Consent Letter

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

MBA Research Project

Researcher: Arshad Ahmed Moola (082 451 2452)

Supervisor: Dr. Abdulla Kader (082 901 0225)

Research Office: Ms P Ximba (031-2603587)

I, **Arshad Ahmed Moola**, an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled "Factors affecting employee turnover at Gorima's". The aim of this study is to:

- To measure the levels of job satisfaction amongst employees.
- To identify the key factors influencing employees' decision to leave the company.
- To determine which of these factors can be attributed to the organisation's human resource management practice.
- To identify measures that must be implemented to retain employees

Through your participation I hope to understand why the rate of employee turnover at Gorima's is so high. The results of the focus group are intended to contribute to improving job satisfaction of employees at Gorima's.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 15 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature _____ Date _____

This page is to be retained by participant

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

MBA Research Project

Researcher: Arshad Ahmed Moola (082 451 2452)

Supervisor: Dr. Abdulla Kader (082 901 0225)

Research Office: Ms P Ximba (031 260 3587)

CONSENT

I (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

.....
SIGNATURE OF
PARTICIPANT

.....
DATE

This page is to be retained by researcher

Appendix 3: Questionnaire

1. Biographical Data

Hello: You are invited to participate in our employee satisfaction survey. In this survey, approximately 65 people will be asked to complete a survey that asks questions about their experience of working at Gorimas. It will take approximately 15 minutes to complete the questionnaire. Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. It is very important for us to learn your opinions. Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Arshad Moola at 0824512452 or by email at the email address specified below. Thank you very much for your time and support. Please start with the survey now by clicking on the Continue button below.

1. Age

1. Under 20
2. 20 - 25
3. 26 - 35
4. 36 - 45
5. Over 45

2. What is your highest completed level of education

1. Primary School
2. High School without Matric
3. Matric
4. Diploma
5. Degree
6. Other

3. Gender

1. Male
2. Female

4. Marital Status

1. Married
2. Single
3. Widowed
4. Divorced or separated
5. Other

5. Living arrangements

1. Live with immediate family
2. Live with extended family
3. Live alone
4. Live in commune
5. Other

6. Number of dependants

1. None
2. One
3. Two
4. Three
5. Four or more

7. How long have you been working at Gorima's

1. Less than 3 months
2. Longer than 3 months and less than one year
3. Longer than one and less than two years
4. Longer than two and less than four years
5. Longer than four years

8. What is your position at Gorima's?

1. Puller
2. Cleaner/Packer
3. Store assistant
4. Cashier
5. Supervisor
6. Area manager

Section 2 - Employee Satisfaction

1. Overall, how satisfied are you with Gorima's?

- a. Extremely dissatisfied
- b. Somewhat dissatisfied
- c. Neutral
- d. Somewhat satisfied
- e. Extremely satisfied

2. I receive the right amount of recognition and acknowledgement from my supervisor.

- a. Strongly disagree
- b. Disagree
- c. Neutral
- d. Agree
- e. Strongly agree

3. I understand what is expected of me to be recognised as a top performing employee.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
4. I am fairly paid for the work I do.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
5. I am happy working 6 days a week.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
6. I am happy with the days allocated to me in the workplace.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree

Section 3 - Human resources practice

1. I feel I am rewarded when I go above and beyond what is expected in my job.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
2. I have been given adequate training with regard to products I am required to sell at Gorima"s.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
3. I have been given adequate training with regard to customer service (e.g. how to approach customers) at Gorima"s.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
4. I have been given adequate training with regard to the standard operating procedures (e.g. how to fry samoosas) at Gorima"s.
 - a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
5. I have been informed of the disciplinary code at Gorima"s.
 - a. Strongly disagree

- b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
6. I am aware of the various job levels at Gorima's
- a. Strongly disagree
 - b. Disagree
 - c. Neutral
 - d. Agree
 - e. Strongly agree
7. I know what to do in order to obtain a promotion.
- a. Yes
 - b. No
 - c. Maybe

Section 4 - Separation reasons

1. Do you perceive there to be a high employee turnover at Gorima's?
- a. Yes
 - b. No
2. For what reason/s would employees leave Gorima's?
- a. Family commitments
 - b. Insufficient pay
 - c. Long working hours
 - d. Poor management
 - e. Spouse not in agreement
 - f. Strenuous working conditions
 - g. Weekend/Public Holiday work

3. For which of the following reasons would you move to another employer:

1. Higher salary
2. Better benefits (for e.g. Medical aid, pension fund, etc.)
3. Shorter working hours
4. Shorter work-week
5. Weekends off

4. Which of the following would you like to be implemented for employees?

1. Education and training allowance
2. Education programme for employee's children
3. Medical Aid
4. Provident fund/ Retirement plan/Pension
5. Social welfare programme
6. Transport subsidy

Appendix 4: Letter of permission from Gatekeeper



21 – 23 Turners Avenue, Berea Phone 031 207 3486
P O Box 429, Pavilion, 3611 Fax 031 301 7381
feroz@gorimas.co.za

Gorima's Kitchen cc
CK200108275023

Dr. Abdulla Kader
Graduate School of Business and Leadership
University Of KwaZulu-Natal
Westville Campus
Durban
3630

05 August, 2014

Dear Dr. Abdulla Kader

RE: PERMISSION TO CONDUCT RESEARCH

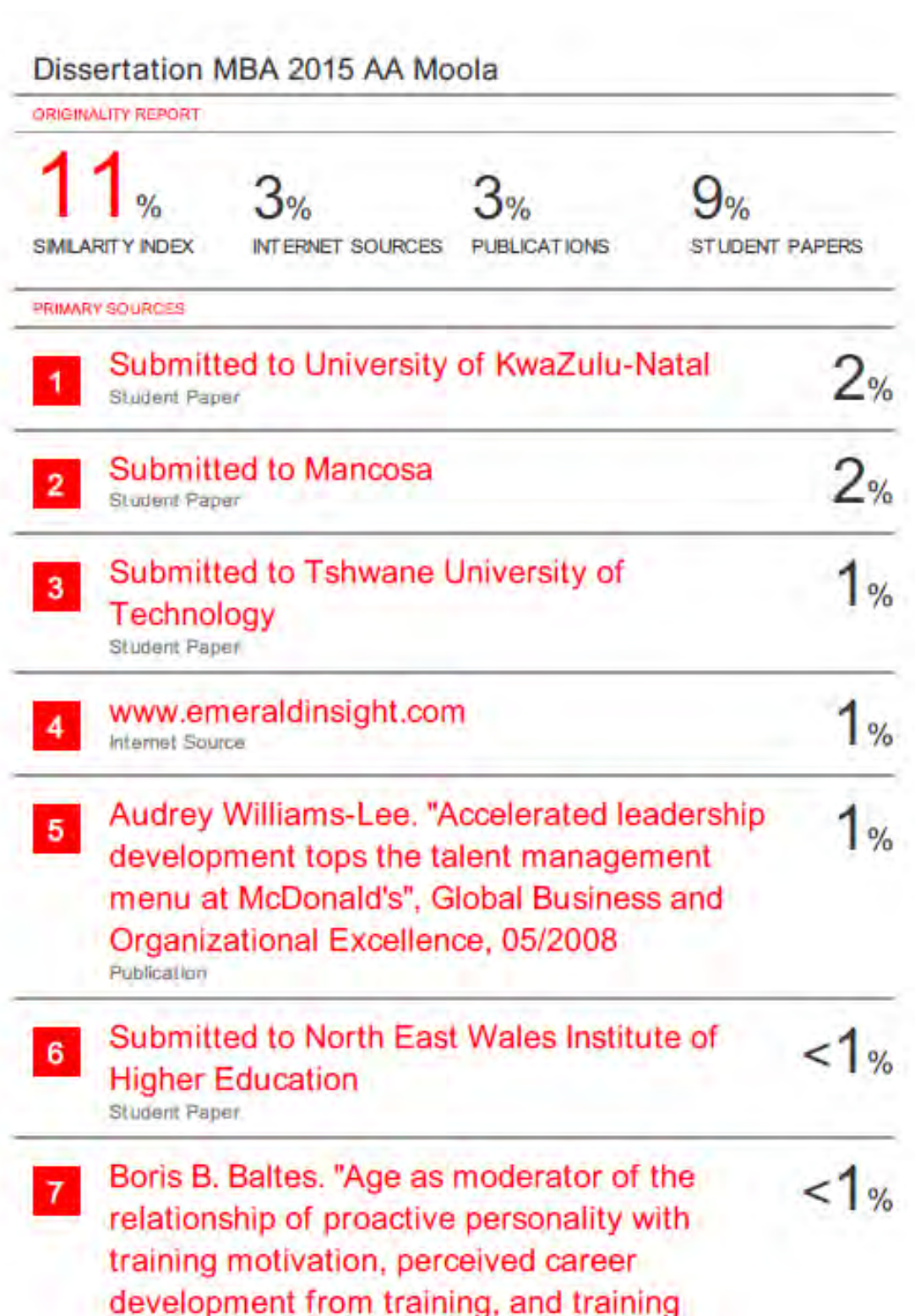
This letter serves to confirm that I, Feroz Khan, managing member of Gorima's hereby acknowledge and approve the research of Arshad Ahmed Moola within the Company for the completion of his Master's in Business Administration.

Sincerely,

A handwritten signature in black ink, appearing to be "Feroz Khan", written over a horizontal line.

Feroz Khan
Managing Member
074 268 9831

Appendix 5: Turnitin Report



Appendix 6: Ethical Clearance



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

26 August 2014

Mr Arshad Ahmed Moola 210540213
Graduate School of Business and Leadership
Westville Campus

Dear Mr Moola

Protocol reference number: HSS/0996/014M
Project title: Factors affecting employee turnover at Gorima's

Full Approval – Expedited

This letter serves to notify you that your application in connection with the above has now been granted Full Approval

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach/Methods must be reviewed and approved through an amendment /modification prior to its implementation. Please quote the above reference number for all queries relating to this study. PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol

Yours faithfully



Dr Shenuka Singh (Chair)
Humanities & Social Science Research Ethics Committee

/pm

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