

THE RELATIONSHIP BETWEEN ORGANISATIONAL COMMITMENT AND INTENTION TO RESIGN IN A LARGE EMPLOYER IN THE TELECOMMUNICATIONS INDUSTRY

by

**RONWAN ARENDOLF** 

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Supervisor: Mr JD Kiley

**Cape Town Campus** 

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# Abstract

The researcher decided to replicate an existing study by Rahman, Naqvi and Ramay (2008) titled "*Measuring Turnover Intention: A Study of IT Professionals in Pakistan*". The study was applied to new situations in order to determine generalisability to different subjects, age groups, races, locations, cultures or any such variables. The replicated study builds on the original study, by making it relevant today and applying it to a large business within the South African Telecommunications industry. Reducing employee turnover is both strategic and very important in ensuring that an organisation remains profitable. Therefore the main objective of this study is to analyse and verify whether job satisfaction, organisational commitment and perceived alternative job opportunities are correlated with turnover intention.

Employee turnover has become a serious management problem for the participating company due to the financial and moral impact on its degree of competitiveness and sustainability prospects. Today, organisations are finding it difficult to retain employees. Many skilled professionals are leaving, which results in the loss of knowledge systems and discontinuity for the Telecommunications industry. Thus, employee turnover demands management's attention to do whatever it can to retain skilled employees.

A quantitative research design using a survey was employed in the study. A survey is defined as "a *method for gathering information from a sample of individuals*" (Scheuren, 2004: 9). A sample was chosen from a population of employees who are working for the participating company, within the Telecommunications industry. The population is N = 401 (unit of analysis), which is the number of people employed at the participating company, where the researcher is currently employed.

The General Job Satisfaction Survey (JDS) developed by Hackman and Oldman (Cook & Rice, 2003: 37) was used to measure both JS and PAJO. Hypothesis 1 addressed the relationship between job satisfaction and turnover intention. The Pearson product-moment correlation coefficient (PPMCC) between job satisfaction and turnover intention was r = 0.812 with a p-value =  $0.714^*$ , indicating that the correlation is positive but not significant. The Organisational Commitment Questionnaire (revised) (OCQ) developed by Meyer and Allen (2005: 73) was used to measure employee commitment. Hypothesis 2 addressed the relationship between organisational commitment and turnover intention was r = 0.572 with a p-value =  $0.065^*$ , indicating a positive but not significant correlation coefficient between organisational commitment and turnover intention was r = 0.572 with a p-value =  $0.065^*$ , indicating a positive but not significant correlation.

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job opportunities and turnover intentions. The Pearson product-moment correlation coefficient between perceived alternative employment opportunities and turnover intention was r = 0.953 with a p-value = 0.081\*, indicating a positive but not significant correlation.

It can be concluded that the correlation between the dependent variable and independent variables in the replicated study was positive but not significant which is consistent with the original study conducted by Rahman *et al.* (2008). The results reveal that in order for the participating organisation to be competitive in the 21st century a firm grip needs to be taken on reducing turnover intentions. Even though the correlation between the variables was not significant it supports previous studies that have found a significant correlation between job satisfaction, organisational commitment, perceived alternative job opportunity and its association with turnover intention. The replicated study will be presented to the participating organisation in an attempt to add value. The audience are managing executives and heads of departments, who are people that can make a difference within their respective divisions. When there is buy-in from top management, this will ensure that the need and urgency for retaining critical skills is filtered down to the lower levels. It will benefit the participating organisation that has a philosophy of wanting to continuously improve.

It is recommended to the management of the participating company to pursue a retention strategy highlighting commitment and job satisfaction to obtain a committed and satisfied workforce through application of suitable human resource policies. These include training, career planning and advancement opportunities, employee participation and compensation plans to reduce employee turnover intention (Rahman *et al.*, 2008: 79). By building a company's business model around job satisfaction, organisational commitment and perceived alternative job opportunities, morale can be increased and commitment can be strengthened. When employees are satisfied they do not have the need to look for work elsewhere, which will contribute to a successful and competitive organisation.

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# Glossary

oc	: Organisational Commitment
ті	: Turnover Intention
ZL	: Job Satisfaction
ΡΑΙΟ	: Perceived Alternative Job Opportunities
Job satisfaction	: The degree to which the working environment
	fulfils the individual's needs (Locke, 2000: 459).
Organisational commitment	: An employee's relationship with an organisation
	(Meyer & Allen: 2001: 94).
Perceived alternative job opportunities	: The availability of alternative jobs within the
Perceived alternative job opportunities	
	organisation's environment (Price & Mueller, 2000:
	558).
Turnover intention	: Employee's intention to quit their present job and
	look forward to find another job (Ramlall, 2003:
	122).

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# **1.1 Introduction**

#### **1.1.1** Origin of study:

The researcher decided to replicate an existing study by Rahman, Naqvi and Ramay (2008) titled, "*Measuring Turnover Intention: A Study of IT Professionals in Pakistan*". The study was applied to a new situation in order to determine generalisability to different subjects, age groups, races, locations, cultures or any such variables. The replicated study carries the potential to empirically support the results obtained by Rahman *et al.* (2008), either by clarifying issues raised by the original study or extending the body of knowledge.

Rahman *et al.* (2008), concentrated on three independent variables: job satisfaction, organisational commitment and perceived alternative job opportunities which are believed to be correlated with turnover intentions. The findings concluded that the independent variables have a positive but not significant correlation with turnover intentions and is believed to be the major factors associated with turnover intention among IT professionals in Pakistan (Rahman *et al.*, 2008: 45).

IT firms in Pakistan are experiencing high turnover and currently no serious efforts have been made to find out the factors causing this (Rahman et al., 2008: 45). Currently, the Telecommunications industry in South Africa is facing similar retention challenges. Without valuable employees a business cannot generate revenue and prosper (Cascio, 2003: 106); therefore reducing employee turnover is both strategic and very important. The replicated study builds on the original study, by making it relevant today and applying it to a large business within South Africa Telecommunications industry. Turnover has been and remains an active area of theorising and empirical research within the domain of organisational psychology (Harman, 2007: 226). Older theories are being retested and modified, new theorising is being introduced, and current research is providing better answers to the main research question: why do people leave their job? By understanding turnover intention, organisations are able to better manage their turnover rates (Harman, 2007: 226). By incurring high turnover and particularly skilled turnover, organisations can incur significant costs. These costs could be direct or indirect. Direct costs can be incurred in terms of replacement, recruitment and selection, cost of being short-staffed, temporary staff and management time (Cheng & Brown, 2004: 126). Indirect costs are incurred through impact on morale, pressure on remaining staff, costs of learning, service quality, product quality or organisational memory (Dess & Shaw, 2004: 256). These costs are also a feature of involuntary turnover, during downsizing or redundancy (Morrel, Loan-Clarke & Wilkinson, 2004: 35). In attempting to manage their turnover, organisations must be cognisant of these potential costs.

In the Telecommunications industry the need for high organisational commitment is important in ensuring growth and sustainability prospects (Cascio, 2003: 107). An employee who is highly committed towards his or her organisation can be said to be more productive, stable, and will strive towards fulfilling the organisation's needs as opposed to one less committed (Bennett, 2003: 2). An individual with little emotional attachment to the industry will more likely leave the industry. The research will investigate the relationship between commitment and the intention to leave the Telecommunications industry while focusing on organisational commitment, job satisfaction and perceived alternative job opportunities as independent variables and turnover intention as the dependent variable.

The Telecommunications industry, historically non-competitive, has experienced significant structural changes in recent years (Cascio, 2003: 108). In South Africa the Telecommunications industry has been dominated by a regulated monopoly, a previously state-owned, now publically-owned company controlled by government oversight agencies. In recent years, the global Telecommunication market has moved undisputedly towards greater liberalisation and increased competition. Over the past five years alone, full or partial competition in basic services has been introduced in more than 40 countries. With the growing number of countries undertaking major liberalisation efforts in their Telecommunication markets, and the growing trend towards industry consolidation, it has become increasingly important for countries to ensure that they possess the necessary facilities and knowhow to efficiently and effectively manage Telecommunication competition in order for the industry to survive (Cascio, 2003: 110).

The Telecommunications industry is one of the fastest growing industries of South Africa, and retention is one of the biggest issues facing the industry; employees are the ones who generate profits and are considered as the capital or asset of any organisation (Lockwood, 2006: 2). One of the biggest challenges being faced by Human Resources practitioners in South Africa's Telecommunications industry is the management of retention and turnover (Lockwood, 2006: 8). Employees are resigning for several reasons, which have eluded managers and researchers for many years (Lockwood, 2006: 2). For companies to retain top employees, the obvious benefits will be an increase customer satisfaction, quality improvement and effective succession planning (Doke, 2008: 24).

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*Deloitte and Touche* (2003: 1) reported the following challenges that confront HR practices: the new role of HR, the performance of their organisations, and employee retention. This report specifically mentioned turnover as the biggest single concern confronting HR practices in South Africa. According to *P-E Corporate Services*, perceived alternative job opportunities, an unhappy workforce and low level of employee commitment are some of the factors that are negatively impacting the sustainability prospects of the Telecommunications industry (Lockwood, 2006: 9).

This chapter is an introduction and intended to provide background information on the nature of the present study, its objectives and purpose.

## **1.2 Theoretical background**

Retention of skilled employees has become strategic and critical to sustainable competition and effective service delivery among organisations in the ever changing world of work. Globalisation has enhanced the mobility of skilled individuals and as a result there has been an increase in the rate of employee turnover in organisations (Lockwood, 2006: 2). This phenomenon has dramatically changed human resource practices in the area of attracting skilled employees and most importantly, retaining them (Doke, 2008: 23). Given the high costs of turnover and its destructive tendency, it has become imperative for managers to identify retention variables that constantly motivate and influence the decision of valuable employees to have a longer tenure in an organisation (Lockwood, 2006: 4).

Birt, Wallis and Winternitz (2004: 25) note that organisations in South African have difficulty in retaining core employees in a market driven economy. At the same time not many empirical studies have been conducted in the past to provide managers with a sustainable remedy to the problem of retention and turnover particularly in the South African context (Doke, 2008: 24).

The South African labour market suffers from a lack of skilled manpower, a continuous brain drain and organisations are under pressure to retain available talent (Kinnear & Sutherland, 2004: 15). In a global market, employees with scarce skills have the luxury of choice (Harris, 2007: 2). Globalisation is negatively affecting South African organisations since they have to compete not only with one another but with organisations abroad.

Migration of suitably qualified South Africans abroad is making recruitment an onerous task, because the majority of job candidates are perceived to be unsuitable for the majority of vacancies at professional and technical levels (Doke, 2008: 26). Research findings by Hale (2009: 124), reveals that almost all public and private sector employers in South Africa are experiencing difficulty in attracting and retaining new employees. The changing labour market has brought about an unprecedented labour turnover (Cappelli, 2004: 107). Poaching key employees has become an acceptable practice among employers nowadays (Cappelli, 2004: 103).

Friedman, Hatch and Walker (2005: 214) believes that the notion of a permanent employee has become a thing of the past. In the changing world of work the psychological contract between employer and employee has changed fundamentally and long-term commitment to an organisation is no longer guaranteed by either party (Lee, 2003: 8). This constantly challenges HR practitioners to formulate innovative strategies that will not only attract talent, but equally retain them in order for these employees to help in achieving organisational goals and objectives (Lee, 2003: 10). According to a study of HR professionals in the United States of America, over 75% reported that retention of talented employees remains one of the biggest concerns facing human resources (Mello, 2006: 572). Similarly, Harris (2008: 22) asserts that the biggest challenge facing the South African breweries is the retention of critical skills. The main reason for the failure to retain talented employees can be attributed to the inability of organisations to apply correct retention strategies in addressing the problem of retention and turnover (Lockwood, 2006: 8).

### **1.3 Statement of research problem**

Employee turnover has become a serious management problem for the participating company due to the financial and moral impact on its degree of competitiveness and sustainability prospects. Today, organisations are finding it difficult to retain employees and as a result many skilled professionals are leaving, which results in the loss of knowledge systems and discontinuity for the Telecommunications industry. Thus, employee turnover demands management's attention to do whatever they can to retain skilled employees.

Staff turnover is potentially a reducible expense in a cost-conscious Telecommunications environment. Turnover intention precedes actual staff turnover (Gubman, 2003: 30). During this phase, actual thought is given to leaving the position, profession, or industry. Lack of job satisfaction plays a large part in the intention of skilled professionals to leave employment. Employee commitment and growth opportunities are in turn influenced by the level of satisfaction experienced by these professionals (Gubman, 2003: 31). In contributing to understanding more about the interrelationships between job satisfaction, commitment, perceived alternative job opportunities and their intent to leave, the study can be used by administrators and managers in the participating

company to develop practices that will reduce turnover and increase employee commitment and job satisfaction, thus retaining skilled employees.

## 1.3.1 Sub- Problems

An analysis of the main problems within the context of background allows for the following subproblems:

- Employees who are dissatisfied with their jobs are more destructive, stressed and unproductive and are more likely to leave the company, for a company where their needs are fulfilled.
- Uncommitted employees have been found to be more likely to leave an organisation due to their lack of emotional attachment than those who are committed.
- Employees will be more reluctant to change jobs when economic conditions are favourable.

## **1.3.2** Research Questions

- How does job satisfaction affect turnover intention?
- How does organisational commitment affect turnover intention?
- How do perceived alternative job opportunities affect turnover intention?

# **1.4 Goals/Objectives of study**

The original study concentrated on three independent variables namely job satisfaction, organisational commitment and perceived alternative job opportunities which are believed to be correlated with turnover intentions. The replicated study builds on the original study, by making it relevant today and applying it to a large business within the South Africa Telecommunications industry. Therefore the main objective of this study is to analyse and verify whether job satisfaction, organisational commitment and perceived alternative job opportunities are correlated with turnover intention.

In some organisations, loss of skilled employees puts unbearable pressure on workflow management and leads to an increase in operating costs (Sherman & Wolfson, 2006: 22). The study aims to analyse the following variables i.e. job satisfaction, commitment, alternative job opportunities and intention to leave, which will enable the Telecommunications industry to better understand the reasons associated with employee turnover and what factors/incidences lead to skilled professionals leaving.

#### 1.4.1 Theoretical Framework

The Theoretical framework emphasises the factors that influence turnover by focusing on the relationship between: (a) job satisfaction and turnover intention, (b) organisational commitment and turnover intention and (c) perceived alternative job opportunities and turnover intention. The objective of this research is to determine the effect of the independent variables, i.e. job satisfaction, employee commitment and perceive alternative job opportunities, on the dependent variable intention to leave, so that an insight into why skilled professionals are leaving may be acquired. The framework allows the researcher to understand and systematically analyse the relationship between the dependent and independent variables which forms the foundation of the study i.e. turnover intention as illustrated below:

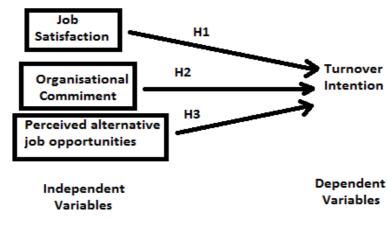


Figure 1: The Turnover Model

(Rahman et al., 2008: 48)

# 1.5 Hypotheses

a)  $H_0$ : There is no significant correlation between job satisfaction and turnover intention.

 $H_1$  : There is a significant correlation between job satisfaction and turnover intention.

b)  $H_0$ : There is no correlation between organisational commitment and turnover intention.

 $H_2$  : There is a significant correlation between organisational commitment and turnover intention.

c)  $H_0$ : There is no correlation between perceived alternative job opportunities and turnover intention.

H<sub>3</sub>: There is a significant correlation between perceived alternative job opportunities and turnover intention.

# 1.6 Definitions of key terms

- Job satisfaction: "The worker's appraisal of the degree to which the work environment fulfils the individual's need" (Locke, 2008: 459).
- **Organisational commitment:** "A psychological state that characterizes an employee's relationship with an organisation and has implications for the decision to continue membership of the organisation" (Meyer & Allen: 2006: 94).
- **Perceived alternative job opportunities:** "An individual's perception of the availability of alternative jobs in the organisation's environment" (Price & Mueller, 2007: 558).
- **Turnover intention:** *"Employee's plan of intention to quit the present job and look forward to find another job in the near future"* (Ramlall, 2003: 122).

# **1.7 Research methodology**

## 1.7.1 Population

A sample will be taken from a population of employees who are working for the participating company, within the Telecommunications industry. The population is N = 401 (unit of analysis), which is the number of employees employed at the participating company, where the researcher is currently employed. The participating company has come a long way since establishing radar, identification and data link technologies in the 1980's. More recently, the implementation of a deliberate strategy to move higher up the value chain has enabled the participating company to enter the system integration domain (Locke, 2003: 504). The population targeted in this study included permanent and contract employees, spanning across four (4) Divisions (Defence Cape Town, Communication Solutions, Strategic Projects Group, Electronic Manufacturing) and six (6) Directorates (Operations, Supply Chain Management, Research and Development, Labour Relations, Human Resource Management and Information Management).

#### 1.7.2 Sample

For the purpose of the study a non-probability sampling design in the form of a purpose sampling method was adopted and considered to be appropriate to gather the data. The rationale for using this sampling method was due to the respondents being accessible, their availability, as well as it being less time consuming and inexpensive to gather the research information. A convenience sampling method will be used which is also known as grab, opportunity, accidental sampling (Steel & Griffeth, 2007: 98). As the name describes, the researcher chooses subjects because of convenience. This research will use subjects that are easy to reach. The unit of analysis consists of the following disciplines: Executives, Project Managers, (Systems, Hardware, Software and RF) Engineers, Technicians and individuals designated towards design and implementation of engineering (Telecoms) systems. A sample size of 150 respondents of the population will be sourced. It is important to source as large a sample as possible to ensure a more accurate statistical conclusion (Sekaran, 2006: 80). While a convenience sample would have reduced the risk of skewing the data, it is assumed that the large percentage of responses is representative of the overall population for the purpose of this analysis. For data analysis, a statistical package called social sciences (SPSS) will be used to infer the results.

#### 1.7.2.1 Data collection method

A quantitative research design using a survey was employed in the study. A survey is defined as "a method for gathering information from a sample of individuals" (Scheuren, 2004: 9). The main purpose of survey research is "to collect information from one or more people on some set of organisationally relevant constructs" (Bartlett, 2005: 99). Based on the above it is clear that a survey is a research method that is relatively easy to compile and they can be modified to apply to certain events or a particular industry. The present study attempted to measure phenomena that are not directly observable, for which a survey is considered to be an appropriate way to capture the findings from a large population at one time. When a new measurement instrument is developed, it is useful to test it out before administering it to the actual sample. All the questions in the survey will be listed according to the research objectives and questions. Employees will be offered a printed questionnaire which will be entered into a survey database by the researcher. Submission of the questionnaire by the respondents will automatically be stored into a database for statistical analysis.

#### 1.7.2.2 Method and rationale of measurement

The researcher will be using Likert type scales to measure all the variables. A 5-point Likert scale will be used for the questionnaire. It has the following advantages: easy to use, easy for respondents to answer, allows for several types of analysis to take place and good discriminating ability. The scale consists of a statement expressing either a favourable or unfavourable attitude towards the object of interest. The following measurements were utilised:

### 1.7.3 Measurements

1.7.3.1 **Validity of instruments** - According to Anastasi and Urbina (2006: 8), "validity refers to the degree to which the test actually measures what it purports to measure."

• Face validity - Questions will be posed in an easy and understandable manner to eliminate any misunderstandings.

1.7.3.2 **Reliability of instruments** - According to Fox and Roodt (2004: 41), "the reliability of a measure refers to the consistency with which it measures whatever it measures."

• **Test-Retest Reliability** - Test-Retest reliability refers to the test's consistency among different administrations. To determine the coefficient for this type of reliability, the same test is given to a group of subjects on at least two separate occasions.

### 1.7.4 Instrumentation

The variables investigated in this study, namely organisational commitment, job satisfaction and perceived alternative job opportunities have been researched and delineated in terms of intention to leave, as discussed in this chapter. The following instruments were utilised:

- Organisational Commitment (OC) Organisational Commitment Questionnaire (revised) (OCQ) developed by Meyer and Allen (2005: 73) was used to measure employee commitment. The OCQ has also been extensively investigated, and substantial research has explored and discussed the reliability and validity (Meyer & Allen, 2005: 73). The OCQ is regarded as the most carefully designed and developed instrument for measuring employee commitment (Kh Metle, 2003: 136). Over 50% of the articles published between 1987 and 2006 in seven leading management related journals that used non-ad hoc measures of employee commitment employed the OCQ (Kh Metle, 2003: 137). The revised questionnaire includes three components of commitment, namely affective, continuance and normative, with six items in each component.
- Turnover Intention (TI) This scale was developed by Sanders and Roefs (2006: 187) and it was used to measure turnover intention. Spector (2005: 75) adds that TI directs general attitude towards job and employer, and allows for different areas of turnover intention to be independently measured. It requires respondents to rate the likelihood of staying at the job until

next year, whether they thought about quitting and their degree of loyalty. This instrument has been employed in previous surveys in the public sector in an effort to measure Turnover intentions (Schneider & Vaught, 2003: 242).

Job Satisfaction (JS) and the Perceived Alternative Job Opportunities (PAJO) – The General Job Satisfaction Survey (JDS) developed by Hackman and Oldman (Cook & Rice, 2003: 37) was used to measure both JS and PAJO. The five item job diagnostic survey (JDS), known as the General Job Satisfaction Survey (short form), assesses overall job satisfaction (Hackman & Oldman, 2002: 98). The JDS has likewise been extensively studied, and steadily utilised. Spector (2004: 106) states, "That the JDS is a proven valid and reliable instrument for the assessment of job satisfaction". Cockcroft (2003: 114) concludes that the JDS has been standardised and found to be suitable for South African conditions. The JDS has been consistently correlated with overall job satisfaction, growth satisfaction and internal work motivation (Fried & Farris, 2005: 291).

### **1.8 Significance of the research**

The South African government has introduced initiatives to tackle the skills retention problem. Learnerships, for instance, are a government initiative established by various SETA's to encourage skills development and staff retention (Hale, 2003: 13). The retention of skills features as a high-priority issue on government's agenda (Hale, 2003: 14). For the government to succeed, thorough research has to be done on the correct approach for skills retention in South African industries. By conducting the right type of research, organisations will be able to reduce turnover intention by keeping employees satisfied and committed thus prolonging their stay. A proper approach to retention will be identified and investments can therefore be made in the appropriate industries, to ensure that skilled employees are not lost to foreign competitors. This kind of research can be a point of reference for government in the pursuit of its objectives of employment facilitation. The research is useful in this era where government needs direction in the achievement of the economic growth target of 2014 with the intention of halving unemployment and poverty levels.

By understanding the relationship between commitment and intention to leave, the participating company can increase the employee's level of job satisfaction and of commitment, thereby reducing turnover in the industry. This will result in a sustainable, competitive and productive industry. The participating company invests a significant amount of resources in its skilled professionals through training and other benefits e.g. paid sabbaticals, profit sharing and Management Bonus Schemes (MBS). Thus, it will be a loss to the organisation and industry if its valued employees leave. The costs incurred due to employees leaving the organisation are hiring costs, training costs and productivity

loss. Many organisations are faced with high performing employees deciding to leave for better opportunities elsewhere. Such organisations are finding it difficult to retain employees with the appropriate skills and subsequently have to invest significantly more resources to maintain a skilled workforce (Ramlall, 2003: 124).

It is apparent that this research is both relevant and necessary within the large national and local context. If properly carried out, this research can be one of the points of reference for the achievements of the government's objectives.

## **1.9 Delineation or Demarcation of research**

Although the findings of this study will have considerable value in understanding the reasons associated with employees leaving the Telecommunications industry, various limitations to this study are acknowledged and are listed below:

- a) The replicated study is focused on a single organisation within the Telecommunications industry and therefore the researcher can generalise findings to organisations within the Telecommunications industry, but not all industries in South Africa. Findings can only be generalised when data is based on random samples of sufficient size. The researcher may only generalise findings when it has been replicated on many different populations and subpopulations (Dessler, 2003: 53).
- b) The study is quantitative in nature and as a result the researcher cannot conduct interviews or follow-up interviews which will assist in the interpretation of findings. Also, some respondents are better at expressing themselves in words than by writing.

## **1.10** Ethics statement

The researcher has obtained a letter of permission from the participating company in order to conduct the research and will ensure that the rights, welfare, identities and interests of the respondents will be protected. A letter accompanying the questionnaire explains the purpose of the study and requests the respondent's participation. The researcher will also ensure that the information supplied and the findings gathered as a result of the study will not be made available to anyone without the consent from the CEO and the Managing Executives of the participating company. The researcher will not reveal the identity of the participating company. The research will be conducted in accordance with the ethical and professional guidelines as specified in the

Telecommunications industry's code of conduct i.e. honesty, confidentiality, respect, fairness and equality (Cascio, 2003: 106).

# 1.11 Layout of chapters

Chapter 2 - will review the literature pertaining to the relationship between employee commitment and intention to leave the Telecommunications industry. The chapter will also explain in-depth the theoretical framework used for the study.

Chapter 3 - presents the research methods of the study that is the research design and procedure. This chapter discussed the selection of the respondents, sample and sampling technique, the development of the questionnaire, and data collection procedure.

Chapter 4 - presents the findings of the study. It includes the result of respondents' characteristics, the results of Pearson correlation and multiple regressions.

Chapter 5 - the final chapter contains a summary of the study's findings and discussions, research limitations, recommendations for future research and conclusion.

# **1.12** Concluding remarks

This chapter has provided a general background to the study and emphasises the challenges of retaining available skilled professionals in the Telecommunications industry. The chapter highlighted the impact that high turnover has on the Telecommunications industry as well as the actual turnover cost involved. Factors that delimit the study were also discussed. The next chapter will provide an indepth view of the theoretical framework used and factors that influences turnover locally and internationally.

# **CHAPTER 2**

# LITERATURE REVIEW

# 2.1 Introduction

Chapter two considers the current literature which deals with the following variables: job satisfaction, organisational commitment, perceived alternative job opportunities and turnover intention. The literature review is organised by theme or construct: job satisfaction and intention to leave; organisational commitment and intention to leave; and perceived alternative job opportunities and intention to leave. The model by Rahman *et al.* (2008: 48), depicting the relationship among the independent and dependant variables forms the theoretical framework used for the literature study.

### 2.2 Job satisfaction and intention to leave

#### **2.2.1 INTRODUCTION**

Job satisfaction is a construct that has been described, discussed, and researched for over sixty years (Wasti, 2003: 315). Hoppock (2009: 47) defined job satisfaction as "any combination of psychological, physiological, and environmental circumstances" that causes an employee to be satisfied with his/her job. Locke (2008: 316) defined it as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values". Spector (2007: 2) defined it as "how people feel about their jobs and different aspects of their jobs". Based on the above definitions, it is clear that job satisfaction is associated with an employee's satisfaction from both psychological and physical perspectives i.e. the extent to which people like or dislike their jobs. Thus, job satisfaction is recognised as a complex construct that includes both intrinsic and extrinsic factors (Herzberg, Mausner & Snyderman, 2003: 178). Herzberg et al. (2003: 249) identified the intrinsic as derived from internally job-related rewards, such as recognition, achievement, work itself, advancement, and responsibility. Extrinsic factors result from externally environment-related rewards, such as salary, company policies and practices, technical aspects of supervision, interpersonal relations in supervision, and working conditions (Herzberg et al., 2003: 250). All of these features are related to the way things are done within an organisation. Therefore, various organisational factors can have a significant impact on an employee's job satisfaction. In general, job satisfaction is assessed in degrees and can be examined from multiple viewpoints using multiple constructs or scales (Schmidt, 2007: 29). For example, the General Job Satisfaction Survey developed by Hackman and Oldman (Cook & Rice, 2003), defines five facets of a job: job scope, remuneration,

promotion, supervision, and co-workers. Spector (2007: 227) identified nine subscales for the Job Satisfaction Survey (JSS): pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work, and communication. The importance of each facet or subscale can be different to some extent; as a result, these facets or subscales may have varied significance when assessing overall job satisfaction (Spector, 2007: 228). For a better understanding of the concept job satisfaction and how it leads to turnover, two process theories are discussed: Maslow's hierarchy of needs and Herzberg's two factor theory.

#### 2.2.2 Job satisfaction theories (Content theories)

#### 2.2.2.1 Maslow's needs hierarchy theory

Extensive research has been conducted in the area of motivation and job satisfaction and many psychologists have attempted to explain it in terms of certain needs, interests and values. One theory that has explored these factors is Maslow's hierarchy of needs. According to Maslow, the individual's personality is dynamic and continuously strives to satisfy a hierarchy of needs with an inherent tendency towards self-actualisation (Joubert, 2003: 53).

Maslow's hierarchy of needs is divided into five levels (Abdullah, 2004: 154). The level one of the hierarchy refers to the satisfaction of the psychological needs which include the basic needs such as housing, material and financial benefits impacting positively on job performance (Edwards, 2003: 145).

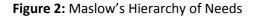
At level two, the need for safety and protection from physical and emotional harm is deemed as critical. At this level, the employer must provide a safe working environment, while the onus rests with individual to ensure their own personal safety outside of the work sphere (Abdullah, 2004: 313). At this level, safety and security in the form of job security and fringe benefits have been found to enhance job performance (Smith & Tisak, 2003: 277).

Level three refers to the social needs that entail the need for affiliation focusing on the relationship with co-workers or subordinates (Abdullah, 2004: 154). Levine (2006: 109) concludes that at this level, social support of employees is necessary to enhance performance.

The esteem needs exist at level four of the hierarchy and is divided into two parts, namely, (i) the need for recognition and respect from others and (ii) a need for a positive self-image and self-respect (Abdullah, 2004: 145). Individuals with high self-perceived ability and self-image are more likely to be higher achievers on task performance than those who have a low self-perceived ability, low success expectancy and low self-image (Arnolds & Boshoff, 2008: 221).

The self-actualisation needs are at the last level of Maslow's hierarchy and are arrived at when all previous levels have been satisfied to a large extent (Heller & Hindle, 2003: 215). The satisfaction of self-actualisation in the workplace is enhanced by creating opportunities for promotion, allowing autonomy, providing challenging assignments and the optimal utilisation of the individual's ability. This is specifically prevalent in the case of top management where the factors mentioned above impact positively on job performance (Arnolds & Boshoff, 2008: 221). As each need in terms of the hierarchy becomes substantially satisfied, the following need becomes dominant (Robbins *et al.,* 2003: 251).

Although Maslow's needs theory is used extensively, much criticism has been levelled against the theory due to a lack of empirical evidence that substantiates it (Arnolds & Boshoff, 2008: 222). Steers and Porter (2008: 182) add that there is no evidence of the five categories of needs being reflected in order of satisfaction in any special hierarchy. Correspondingly with Robbins *et al.* (2003: 252) theory, that little support has been found for the prediction that need structures are organised along the scope suggested by Maslow.





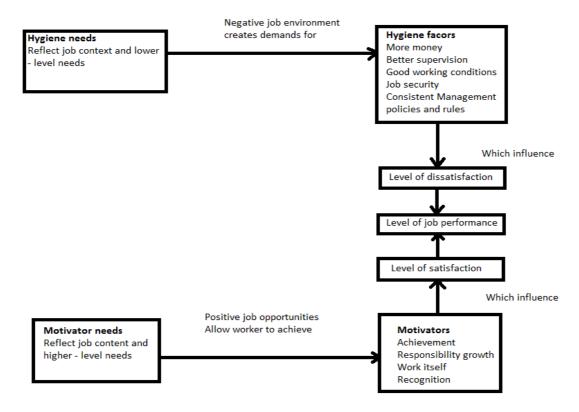
Grobler, Warnich, Carrell, Elbert and Hatfield (2004: 104)

#### 2.2.2.2 Herzberg's Two-Factor Theory

Herzberg's two factor theory is a set of motivators that drives people to achieve (Heller & Hindle, 2005: 97). Nagy (2003: 294) asserts that Herzberg's theory consists of two dimensions known as *"hygiene"* factors and *"motivator"* factors. The hygiene factors also known as extrinsic factors are the parts of the jobs which create dissatisfaction but, if not present, only return the worker to a neutral point of job satisfaction (Ruthankoon & Ogunlana, 2007: 323). These job factors include supervision, interpersonal relations, benefits, job security, salary and working conditions. Hygiene issues cannot

motivate employees but can minimise dissatisfaction and serve as a point of departure for motivation (Heller & Hindle, 2005: 97). On the other hand, satisfying motivator needs which are related to job tasks, job content and intrinsic aspects of the job can lead to job satisfaction, but the absence thereof cannot lead to job dissatisfaction (Robbins, Odendaal, & Roodt. 2003: 253). Investigations conducted by Herzberg in terms of the intrinsic factors (motivators) and extrinsic factors (hygiene) suggest that the opposite of satisfaction is not dissatisfaction as was traditionally believed (Robbins *et al.*, 2003: 253). The results of the studies reflected that the opposite of satisfaction is no dissatisfaction is no dissatisfaction (hygiene factors).





Grobler et al. (2004: 107)

A criticism of Herzberg's theory is that it oversimplifies work motivation. There are job factors that lead to both satisfaction and dissatisfaction. Despite this criticism, Herzberg extended Maslow's needs hierarchy concept and made it more applicable to work motivation (Abdullah, 2004: 40).

Nagy (2003: 294) points out that empirical evidence for Herzberg's theory is scarce and most support around this theory has been obtained using Herzberg's own unique methods consisting of critical interviews. However, according to Schermerhorn (2006: 117), Herzberg's two-factor theory is an important frame of reference for managers who want to gain an understanding of job satisfaction and related job performance issues. Schemerhorn (2006: 117) asserts that Herzberg's theory is a useful reminder that there are two important aspects of all jobs: what people do in terms of job tasks (job content), and the work setting in which they do it (job context). Schermerhorn (2006: 118) suggests that managers should attempt to always eliminate poor hygiene sources of job dissatisfaction in the workplace and ensure that they build satisfier factors into job content to maximise opportunities for job satisfaction. There are many factors which lead to someone either having a high or low level of job satisfaction. These antecedents are explored in the next section.

#### 2.2.3 The antecedents of job satisfaction

Several theories concerning the causes of job satisfaction have been proposed in various organisational literatures. These theories can be loosely classified into two categories:

- Personal determinants which assume that job satisfaction is rooted in the person-logical makeup of the individual
- Organisational factors job satisfactions that results from the nature of one's job or other aspects of the environment (Nel, van Dyk, Haasbroek, Schultz, Sono & Werner, 2004: 317).

#### 2.2.3.1 Personal Determinants

Studies investigating job satisfaction indicate that personal determinants such as race, gender, educational level, tenure, age and marital status impact on job satisfaction.

#### 2.2.3.1.1 Race

An investigation by Erasmus (2008: 134) from the Unisa Business Leadership School, found a difference in job satisfaction between White and African females within a human resources context. The researcher reports that White females were found to be more satisfied than their African female colleagues. The research highlighted factors such as pay and benefits causing dissatisfaction amongst African females. Findings of another study conducted in 2000 among readers of the apartment section of the South African Business Times, revealed that African respondents are more likely to feel less secure in their positions than their White counterparts. Reasons cited for their feeling of lack of job security were connected to restructuring, affirmative action or shrinking of industry sectors (Robbins *et al.*, 2003: 256).

Research evidence with regard to the relationship between race and job satisfaction have yielded inconsistent results (Friday & Moss, 2004: 332). Research conducted by Friday and Moss (2004: 332), on various occupational classes consisting of blue collar and white collar employees, reflected that African employees experienced higher levels of job satisfaction than the other racial groups. On the other hand, a number of studies have also found that White employees amongst different occupational classes experienced higher levels of job satisfaction in comparison to African employees (Strawser & Slocum, 2003: 207).

#### 2.2.3.1.2 Gender

A study conducted by Murray and Atkinson (2008: 335) investigating gender differences in determinants of job satisfaction, reflected that females attach more importance to social factors, while males place greater value on pay, advancement and other extrinsic aspects. In support, Tang and Talpade (2004: 279) maintain that there is a significant difference between males and females in terms of job dimensions impacting on job satisfaction. Their study found that men tend to have higher satisfaction with remuneration in relation to females, while females tended to have higher satisfaction with co-workers than males. Several studies conducted with regard to the relationship between gender and job satisfaction have yielded contradictory results (Chiu, 2003: 236).

Findings of a survey looking at issues affecting women in the South African workforce indicated similar findings with regard to females. The majority of respondents revealed that they were satisfied with their jobs. The factors that contributed the most to their job satisfaction were the company of co-workers, the opportunity to learn new things and factors inherent in the job itself (Robbins *et al.,* 2003: 259).

Contrary to the above, (Chiu, 2005: 237) argues that no evidence exists suggesting that gender impacts on an employee's job satisfaction. The author is of the opinion that gender differences can have an effect on the relationship between job dimensions and job satisfaction, but that they do not have a direct impact on job satisfaction.

#### 2.2.3.1.3 Educational level

An investigation by Crossman and Abou-Zaki (2003: 279) in the Lebanese banking sector found that no statistically significant relationship existed between job satisfaction and education (p = 0.094). Although the relationship was not significant, their research found that a relationship between job satisfaction and education did exist. In this regard respondents in possession of a school certificate reported the lowest level of overall job satisfaction, while employees with a college certificate reported the highest level of overall job satisfaction. The researchers highlighted possible factors such as a lack of skills and less favourable treatment by management as contributing to lower satisfaction levels among staff in possession of a school certificate.

However, a similar study conducted by (Kh Metle, 2003: 157) amongst Kuwaiti women employed in a public government sector environment, showed that a strong relationship existed between the level of education and overall job satisfaction. Of the employees surveyed, 90% were in possession of a post graduate qualification. It is clear that employees in possession of an intermediate level qualification reported higher levels of satisfaction than those employees who had higher levels of education. Kh Metle (2003: 157) suggests that job satisfaction decreases in relation to an increase in the level of education as the expectations of employees are often not met by employers. To concur with this finding, results obtained from a study conducted by Johnson and Johnson (2004: 245) surveying 288 employees in the American postal services found perceived over-qualification to have a negative relationship with the dimensions of job satisfaction.

#### 2.2.3.1.4 Tenure

Tenure refers to the number of years an employee has spent working for a particular organisation (Oshagbemi, 2003: 324). Oshagbemi (2003: 117) asserts that a positive correlation exists between tenure and job satisfaction. In this respect, Oshagbemi maintains that employee satisfaction declines within the first year of employment and remains low for several years, after which it increases. Furthermore, he maintains that employee expectations are high at the time of appointment, but when these expectations are not met, the resultant effect leads to a drop in job satisfaction. As the employee becomes more mature and experienced, the initial expectations decline to a more realistic level, thereby making such expectations more attainable, coinciding with increased job satisfaction.

Research conducted by Mottaz (2005: 334) amongst nurses in the United States of America found a significant increase in job satisfaction with length of time on the job. Clarke Oswald and Warr (2007: 451) contend that employees with longer service may experience higher satisfaction levels because the job matches their personal needs. In this regard Sarker, Crossman and Chinmeteepituck (2003: 288) ads that employees with long service tend to adjust their work values to the conditions of the workplace resulting in greater job satisfaction. Oshagbemi (2003: 347) attributes the increase in job satisfaction over the length of time to factors such as job stability and opportunities for promotion.

Contrary to the above Sarker *et al.* (2003: 290), states that longer tenure in a job may lead to boredom and lower levels of job satisfaction. Similarly, Clarke, (2008: 35) maintains that longer tenure does not necessarily lead to increased levels of job satisfaction. The researchers cite low job mobility and external labour market conditions as possible factors contributing to lower levels of job satisfaction. Robbins, (2005: 259) believes that tenure and job satisfaction are positively related.

### 2.2.3.1.5 Age

Older employees are generally happier with their jobs than younger employees, while people who are more experienced in their jobs are more highly satisfied than those who are less experienced (Greenberg & Baron, 2003: 199). This view is supported by Drafke and Kossen (2004: 352). The researchers state that job satisfaction typically increases with age as older workers have more work experience and generally have a more realistic view of work and life in comparison to their younger counterparts. They are of the opinion that younger workers have less experience to draw on and have an idealistic view of what work should be like.

Research conducted by Okpara (2004: 223) among managers within an IT environment found a significant relationship between job satisfaction and age. Similarly, earlier research supported this finding with shagbemi (2003: 122) finding, through a review of the findings of seven other studies, a significant relationship between age and job satisfaction. The author reached this conclusion after.

Although most studies indicate a positive relationship between age and job satisfaction, other studies reflect a decrease in satisfaction as employees move towards middle age, at least up to the age of 40 (Robbins, 2005: 260). Satisfaction increases again from around 40 and on. The authors refer to this phenomenon as the U-shaped relationship. Oshagbemi (2003: 119) cited several reasons for the variance in job satisfaction between older and younger workers. Mottaz's (2008: 45) view is that younger workers are generally more dissatisfied than older employees because they demand more than their jobs can provide. The author postulates that older workers possess more seniority and work experience enabling them to move easily into more rewarding and satisfying jobs. Older workers place less emphasis on autonomy or promotion, thus they demand less from their jobs, making them more satisfied than their younger counterparts. Workers tend to adjust to work values and the work environment the longer they are employed, adding to greater job satisfaction.

#### 2.2.3.1.6 Marital status

The results of a study conducted by Kuo and Chen (2004: 311) investigating the level of job satisfaction amongst IT personnel working in Taiwan, found marital status to be highly related to general, intrinsic and overall satisfaction. They reported that the results of the study indicated that married employees experienced higher levels of job satisfaction in comparison to that of single employees. Research conducted by Cimete, Gencalp and Keskin (2003: 301) which involved 501 nurses employed at two university hospitals in Istanbul, established that the job satisfaction mean score of divorcees and widows was higher than that of single and married groups. Research conducted by Jamal and Baba (2004: 299) also found a significant relationship between job satisfaction and marital status.

The next section discusses organisational factors that have an impact on job satisfaction. There are many factors within an organisation that management might be blind to. Having this awareness can lead to retaining your top performers by ensuring that they are satisfied.

#### 2.2.3.2 Organisational factors

The organisational factors impacting on job satisfaction include the work itself, remuneration/pay, supervision, promotion opportunities, co-workers, job status and job level.

#### 2.2.3.2.1 Work scope

Robbins *et al.* (2003: 77) refer to the work itself as *"the extent to which the job provides the individual with stimulating tasks, opportunities for learning and personal growth, and the chance to be responsible and accountable for results."* According to Robbins (2005: 347), employees prefer jobs that present them with opportunities to execute their competencies on a variety of tasks and that are mentally stimulating. This view is supported by Lacey (2007: 230) who states that individuals are more satisfied with the work itself when they engage in tasks that are mentally and physically stimulating.

Jobs that are unchallenging lead to boredom and frustration (Robbins *et al.*, 2003: 78). Contrary to the above, John (2004: 55) is of the opinion that some employees prefer jobs that are unchallenging and less demanding.

#### 2.2.3.2.2 Remuneration/pay

Highly paid employees may still be dissatisfied if they do not like the nature of their job and feel they cannot enter a more satisfying job. In a study conducted by Oshagbemi (2003: 118) amongst United Kingdom academics, a statistically significant relationship between pay and rank of employees and their level of job satisfaction was established.

However, a study conducted by Young, Worchel and Woehr (2007: 197) in the public sector failed to find any significant relationship between pay and satisfaction. Similarly, results from a survey conducted by Brainard (2005: 200) amongst postdoctoral scientific researchers found pay and benefits to be weakly associated with job satisfaction.

Both financial reward and recognition have been found to have a significant influence on knowledge workers (Arnolds & Boshoff, 2004: 247). It is evident that individuals view their remuneration as an indication of their value to the organisation. They compare their inputs to received outputs relevant

to that of others (Nel *et al.*, 2004: 216). However, there is a lack of empirical evidence to indicate that pay alone improves worker satisfaction or reduces dissatisfaction (Bassett, 2003: 258).

#### 2.2.3.2.3 Supervision

Supervision forms a pivotal role relating to job satisfaction in terms of the ability of the supervisor to provide emotional, technical support and guidance with work-related tasks (Robbins, 2005: 241). Ramsey (2006: 225) believes that supervisors contribute to high or low morale in the workplace. The supervisor's attitude and behaviour toward employees may also be a contributing factor to job-related complaints (Sherman & Bohlander, 2003: 189).

Supervisors with high relationship behaviour strongly impact on job satisfaction (Graham & Messner, 2009: 288). Wech (2003: 210) supports this view by adding that supervisory behaviour strongly affects the development of trust in relationships with employees.

It is clear that the role of the supervisor in keeping employees satisfied is critical and that trust may, in turn, have a significant relationship with job satisfaction. Research demonstrates that a positive relationship exists between job satisfaction and supervision (Smucker, Whisenant & Pederson, 2003: 368).

#### 2.2.3.2.4 Promotion opportunities

A study conducted by Ellickson and Logsdon (2008: 167) with municipal government workers found that satisfaction with promotional opportunities was positively and significantly related to job satisfaction. Kreitner and Kinicki (2003: 35) however, state that the positive relationship between promotion and job satisfaction is dependent on perceived equity by employees. A number of researchers are of the opinion that job satisfaction is strongly related to opportunities for promotion (Peterson, Pula & Suess, 2003: 199).

#### 2.2.3.2.5 Co-workers

Findings of a survey conducted by Madison (2004: 145) on more than 21000 women occupying the most demanding jobs indicated that those participants who lacked support from co-workers were more likely to suffer from job dissatisfaction. Another survey conducted amongst 1250 *FoodBrand* employees found that positive relationships with co-workers enhance job satisfaction (Berta, 2005: 81). A number of authors maintain that having friendly and supportive colleagues contribute to increased job satisfaction (Kreitner & Kinicki, 2003: 37). Empirical evidence indicates that relationships with colleagues have consistently yielded significant effects on job satisfaction of federal government workers in the United States (Ting, 2003: 239). A study conducted by

Viswesvaran, Deshpande and Joseph (2004: 227) further corroborated previous findings that there is a positive correlation between job satisfaction and co-workers.

#### 2.2.3.2.6 Job status/job type

To date, a paucity of research exists indicating the relationship between job status and job satisfaction.

Research conducted by Feather and Rauter (2004: 47) which involved contract and permanent employees in the teaching environment in Australia, failed to establish a relationship between job status and job satisfaction.

#### 2.2.3.2.7 Job level

Higher levels of job satisfaction are usually reported by individuals occupying higher level positions in organisations as they offer better remuneration, greater variety, more challenges and better working conditions (Cherrington, 2006: 254). Research conducted by Robie, Ryan, Schmieder, Parra and Smith (2008: 48) confirms the view that a positive and linear relationship exists between job satisfaction and job level. Results of their study indicate that as job level increased, so did job satisfaction.

In support of the above, Allen (2003: 320) postulates that job satisfaction is strongly linked to an employee's position within the company (as per figure 4). The author concludes that the higher the ranking, the higher the job satisfaction. In contrast, Robie *et al.* (2008: 86) report that job satisfaction decreases with an increase in the job level.

The specific work tasks, responsibilities and functions that employees execute can have an effect on their overall satisfaction level (as illustrated in figure 4). Light (2004: 287) found that there were differences in the attitudes on intrinsic and extrinsic motivation between white collar and blue collar workers, with white collar workers being more intrinsically motivated. There was no overall statically significant difference in the overall employee satisfaction between the groups. However in an analysis performed by Moye (2003: 59) it was found that individuals in higher level positions within the company felt more empowered and satisfied than those who held lower-level positions.

Specifically, managerial job-types had a stronger relation to empowerment than other job types. Moye (2003: 60) also investigated the separate cognitions of empowerment against specific jobtypes and found employees in higher position in the organisation had a stronger perception of meaning, choice and impact than other employees. Levels of education were not found to have a strong relation to empowerment; however, education was negatively correlated to the intent to remain at the company. Satisfaction surveys reflect that a positive relationship prevails between job level and job satisfaction (Cherrington, 2006: 107). This relationship is illustrated in the figure below:

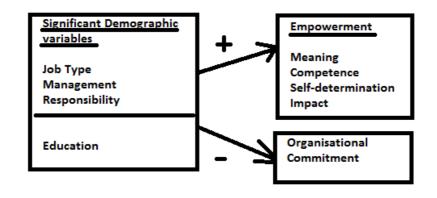


Figure 4: The effect of demographic variables on empowerment and organisational commitment

#### (Light, 2004: 108)

#### 2.2.3.2.8 Attrition and economic conditions

Considering the correlation figures from previous studies, other factors obviously have influence in the intention of an employee to leave the company. One that has been identified through research is economic conditions. Muchinsky and Murrow (2004: 45) indicated there was a relationship between economic conditions and voluntary attrition. Another factor of the economy, unemployment, was also tested and found to have a strong relation to the intent to leave (Crowther, 2007: 221).

In a study performed by Muchinsky and Murrow (2004: 46) it was determined that there are three determinants for turnover: (a) economic opportunity factors, (b) individual factors and (c) work related factors. It was determined that economic opportunity factors, which included local and national unemployment conditions, had the strongest impact on the intent to leave. Employee satisfaction was found to be an antecedent to leaving, but the effect was not a strong as economic conditions. Muchinsky and Morrow (2004: 46) also found that by observing these conditions through time with shifting economic factors, fewer employees will voluntary leave their job and the correlation between satisfaction and attrition will be low. Conversely, when there is lower unemployment it is assumed that the economic conditions are more favourable, thus providing greater opportunities to seek alternative employment. An employee who is dissatisfied with his job will seek employment elsewhere in these conditions, making the correlation between employee satisfaction and turnover greater. Hulin, Roznowski and Hachiya (2003: 391) believed that the economy acts as a releasing agent; periods of high alternative opportunity will allow dissatisfied employees to seek employment elsewhere. They concluded that employee satisfaction would be a better indicator of intent in periods of low unemployment.

#### 2.2.3.2.9 Relation of employee involvement, employee satisfaction and intent to leave

Attrition has long been identified as a cost to organisations. As such, companies have been interested in understanding the causes of employees choosing to leave. Several studies have been performed across various aspects involving the intent to leave. Currivan (2005: 228) analysed the causal relationship between job satisfaction and employee turnover and found an inverse relationship. It was concluded there was a strong positive relationship between employee involvement, employee satisfaction and the intention of an employee to remain with the company. This intent to remain was negatively related to turnover.

In the next section the consequences of job satisfaction are discussed i.e. how employees with low job satisfaction negatively impact a company and themselves.

#### 2.2.4 The consequences of job satisfaction

Numerous authors have highlighted that job satisfaction impacts on employee productivity, turnover, absenteeism, physical and psychological health (John, 2004: 45).

#### 2.2.4.1 Productivity

Although a relationship between job satisfaction and productivity exists, the relationship between these variables is not strong (Luthans, 2005: 127). The author believes that the most satisfied employee will not necessarily be the most productive employee. At an individual level the evidence is often inconsistent in terms of the relationship between satisfaction and productivity, but at an organisational level a strong relationship exists between satisfaction and productivity (Robbins *et al.*, 2003: 263).

Research findings indicate that the relationship between satisfaction and productivity is positive, but very low and inconsistent (John, 2004: 46).

#### 2.2.4.2 Physical and psychological health

Spector (2006: 249) believes that when an individual dislike their job, it can result in them experiencing negative health effects that are either psychological or physical. On the other hand, Luthans (2005: 148) mentions that employees with high levels of job satisfaction tend to experience better mental and physical health.

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#### 2.2.4.3 Turnover

A number of studies strongly support the view that turnover is inversely related to job satisfaction (Robbins *et al.*, 2003: 267). A high employee turnover rate is often prevalent in an environment where employees are highly dissatisfied (French, 2003: 55). Greenberg and Baron (2004: 353) contend that employees lacking job satisfaction often tend to withdraw from situations and environments as a means of dealing with their dissatisfaction. A major form of employee withdrawal is voluntary turnover. By not reporting for duty, or by resigning to seek new job prospects, individuals might be expressing their dissatisfaction with their jobs or attempting to escape from the unpleasant aspects they may be experiencing. Phillips, Stone and Phillips (2008: 43) concur that employee turnover is the most critical withdrawal variable.

A study conducted by Steel and Ovalle (2007: 122) established a moderately strong relationship between job satisfaction and turnover, indicating that less satisfied workers are more likely to quit their jobs. A moderate relationship exists between satisfaction and turnover (Luthans, 2005: 149). The researcher posits that high job satisfaction will not necessarily contribute to a low turnover rate, but will inadvertently assist in maintaining a low turnover rate.

#### 2.2.4.4 Absenteeism

Nel *et al.* (2004: 548) maintain that "*absenteeism is regarded as withdrawal behaviour when it is used as a way to escape an undesirable working environment*". Various studies conducted on the relationship between satisfaction and absenteeism indicates an inverse relationship between the two variables (Luthans, 2005: 150). Thus, when satisfaction is high, absenteeism tends to be low. The converse indicates that when satisfaction is low, absenteeism tends to be high. Previous studies suggest that job satisfactions levels are closely related to absenteeism (Hellriegel, Slocum & Woodman, 2009: 35).

#### 2.2.5 Job satisfaction and intent to leave

Skill shortages can be a symptom of low job satisfaction, poor management and lack of organisational support (Zurn, Dolea & Stillwell, 2005: 278). When an organisation has a shortage of skills it usually results in heavy workload for the remaining employees, job stress and eventual burnout, which all contribute towards low job satisfaction. Job satisfaction is an elusive concept, which is defined within its extrinsic and intrinsic values (Cowin, 2004: 220). Reasons for employee dissatisfaction have been well documented in the various literatures. Such reasons include lack of involvement in decision-making, poor relationship with management, low salaries and poor benefits, lack of job security, poor recognition and lack of flexibility in scheduling (Albaugh, 2003: 145).

Employee dissatisfaction has also been linked to emotional exhaustion and burnout, which can affect patient outcomes (Aiken, Clarke, Sloane & Sochaski, 2009: 310).

Job dissatisfaction is a primary predictor of employee's intent to leave (quit their current job) (Shields & Ward, 2004: 78). A study conducted in the United States found that dissatisfied employees are 65% more likely to have intent to leave compared to satisfied employees (Shields & Ward, 2001: 289). Other predictors of intent to leave can include the following: low salaries and fringe benefits, inflexible work schedule, career advancement prospects, in addition to poor management and job stress (Coomber & Barriball, 2007: 337). An employee's intent to leave can be linked to situational factors such as family obligations, early retirement, length of service, low levels of motivation, emotional exhaustion and burnout (Tzeng, 2005: 75). It is believed that job satisfaction has been found to be a better predictor of intent to leave compared to the availability of alternative employment opportunities (Purani & Sahadev, 2007: 268).

A study conducted amongst Lebanese employees confirmed a negative correlation between job satisfaction and intention to leave (El-Jardali, 2007: 218). Their study's main objective was to examine the impact of job satisfaction as a predictor variable on intention to leave. The findings revealed that the main cause of dissatisfaction amongst Lebanese employees was the hospital's low compensation and incentive packages. Purani and Sahadev (2007: 268) measured the correlation between job satisfaction and its impact on intention to leave among sales personnel in India. Assuming that employee's duties of employees are interacting and communicating with clients, experience was also used as moderating variables to examine how working experience could affect the levels of job satisfaction and intention to leave. Purani and Sahadev (2007: 270) found that employees with a long tenure have higher levels of job satisfaction and would be less reluctant to quit. Their finding suggested that demographic variables should be taken into consideration when measuring the relationship between job satisfaction and turnover intention. Pearson and Chong (2003: 107) examined the impact of job content and job information on organisation commitment and job satisfaction among Malaysian nurses in a large public sector hospital. They found that job information is a stronger predictor that influences job satisfaction in relation to intrinsic factors such as relationship with peers and recognition. Despite Pearson and Chong's (2003: 38) insight, they stopped short at job satisfaction and did not examine the consequence of job (dis) satisfaction such as intention to leave. However, they did recommend that when employees are satisfied with the degree available job information that is crucial to determine their job satisfaction which can lead to intent to leave or burnout (Tzeng, 2005: 245). Tzeng (2005) concluded that low levels of motivation, emotional exhaustion and employee burnout are factors that increase turnover intention. This study

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revealed that in-order to effectively measure job satisfaction both intrinsic as well as extrinsic factors should be considered (Tzeng, 2005: 246).

Next, a discussion is presented on how organisational commitment is linked to intention to leave. Commitment is one of the independent variables associated with turnover intentions. This section will identify the three component model of commitment: affective, continuance and normative; and how more committed employees are less likely to leave the company.

### 2.3 Organisational commitment and intention to leave

#### 2.3.1 Introduction

It refers to an employee's emotional attachment and their degree of involvement within the organisation. Organisational commitment refers to three constructs which comprises of affective commitment, continuance commitment and normative commitment (Boehman, 2006: 249). Porter and Steers (2004: 162) defined it as "strong belief in and acceptance of the organisational goals and values, willingness to exert considerable effort on behalf of the organisation". Whereas Jans (2006: 178) has defined it as, "the extent that an employee accepts, internalizes, and perceives one's role based on organisational values and goals". Based on the above definitions, it is clear that employees become committed to their organisations when (a) they believe in the vision, mission and values of the their organisations (b) when they contribute towards the achievement of organisational goals and (c) have a continuous longing to serve in their organisations (Robbins & Coulter, 2003: 82). Therefore committed employees are loyal and more likely to remain in the organisation than uncommitted employees.

Employees who are committed to their organisations are more willing to accept and adhere to the organisational objectives and goals (Valentine *et al.*, 2004: 81). Individuals may become committed for many reasons such as: a person may stay with an organisation that has similar goals and values; another person may stay due to the fear of losing their status, benefits, or social networks; yet another may be committed due to pure obligation. Each of the three constructs of commitment namely -affective, continuance, and normative- are experienced at different levels by each individual within an organisation (see figure 5). Consequently, the replicated study focussed on Meyer and Allen's three–component commitment model and how it relates to turnover, which will be discussed below.

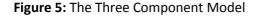
#### 2.3.2 Three component model of commitment

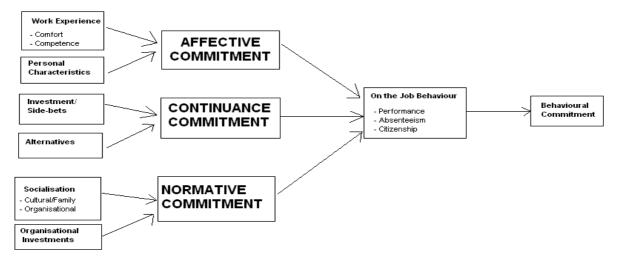
Meyer and Allen (2005: 177) developed the three component model of organisational commitment, which includes affective, continuance and normative commitment. Affective commitment (AC) focuses on emotional attachment and organisational involvement and deals with desires or wants ('I want my job'), continuance commitment (CC) involves the perceived cost associated with leaving ('I need my job') and normative commitment (NC) implies a sense of obligation to remain with the organisation ('I ought to keep my job') (Meyer & Allen, 2003: 178). Normative commitment is the least understood component of commitment, and several researchers have suggested that this component may be multifaceted (Meyer & Allen, 2003: 178). More specifically, normative commitment develops as a means of socialisation from both culture and the organisation (Meyer & Allen, 2005: 179). Meyer and Allen discussed the differences that may exist in the way an employee experiences normative commitment due to these individual differences (i.e., culture). For example, normative commitment may have a greater influence on employee outcomes and well-being within a collectivist culture as compared to an individualist culture due to the implied obligations inherent within collectivist cultures (Clugston, Howell & Dorfman, 2007: 233). Furthermore research has demonstrated the uniqueness of normative commitment when paired with the other components. Specifically, researchers have found that normative commitment paired with affective commitment may lead to positive employee outcomes and behaviours (Gellatly, Meyer & Luchak, 2006: 127). However, normative commitment paired with continuance commitment may lead to negative employee attitudes and behaviours (Gellatly et al., 2006: 127).

Meyer and colleagues conducted a meta-analysis to examine the antecedents, correlates and consequences of affective, continuance and normative commitment. Results indicated that the affective and normative commitment scales correlate positively with job satisfaction and organisational citizenship behaviour (Herscovitch & Topolnysky, 2005: 97). Furthermore, affective and normative commitment was negatively associated with turnover intention, actual turnover, and absenteeism (although normative commitment correlates to a less degree than affective commitment). Continuance commitment, on the other hand, was found not to correlate with actual turnover and to correlate negatively with organisational citizenship behaviour (Herscovitch & Topolnysky, 2006: 97). Research examining organisational commitment initially focused on each component in isolation. However, affective, continuance and normative commitment represent different components of commitment as opposed to different types of commitments (i.e., industry commitment, union commitment). As such, research has progressed to consider how individuals can experience all three components of commitment at the same time and in conjunction with each other. This advancement within the research has turned to examine commitment profiles.

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Specifically, commitment profiles reflect the relative levels of the three components (i.e., affective, continuance, normative). The combining of these components provides an overall view of commitment. For example, an individual may demonstrate high affective and normative commitment, but low continuance commitment. Furthermore, an individual may demonstrate low commitment on all three components. The comparative strength of each component together forms an individual's commitment profile, which has large behavioural implications within the workplace (Wasti, 2005: 78). The component model is illustrated in the figure below:





Meyer and Allen (2005: 177)

In the next section strategic training is discussed. It is believed that training can lead to an increase in organisational commitment and reduce turnover intention. The employer should provide appropriate support in order to develop employees' which will lead to an increase in participation and employee commitment.

#### 2.3.2.1 Strategic training

It is believed to be a type of activity that affects the behaviour of individuals in their efforts to formulate and implement the strategic needs of the organisation (Meyer & Allen, 2003: 79). Tannenbaum, Smith-Jentsch and Behnson (2007: 79) found a positive correlation between organisational commitment and employee training. Also, employees that are offered more training opportunities are more likely to exhibit higher levels of affective commitment (Meyer & Allen, 2001: 79). Training can therefore be used to increase commitment (Lang, 2003: 88).

Recent studies have been reported to examine different aspects of commitment and training; however the research is limited (Meyer & Allen, 2003: 81). Their findings support the argument that strategic training practices increase organisational commitment which in turn reduces turnover

intention. The strategic approach to training means to abandon the old mind-set and practices of operational matters and by focusing on strategic issues (Mello, 2006: 100). The exchange theory is an investment in the relationship between an organisation and its employees which contributes towards organisational commitment (Farrell & Rusbult, 2007: 55). The better the training experience, the greater the commitment is to the organisation.

It has been argued that human resource practices including training sends a strong message to individuals regarding what an organisation expects from them and what they can expect in return (Rousseau, 2008: 144). Hence, an employee's interpretation of training will affect their psychological contract which will ultimately affect their commitment to the employer (Rousseau, 2008: 145).

In order to develop successful training programs organisations need to strategize their training, which involves an assessment that is divided into organisation, tasks and personnel (Mello, 2006: 44). It is believed that managers can influence organisational commitment through individual needs assessment. Needs assessment ensures that people are committed (Anthony, 2004: 188). By only analysing individual needs, this will imply a lack of adequate planning and strategizing on the part of the organisation (Anthony, 2004: 188). In addition, organisations that have highly committed employees use strategic training practices to make more informed decisions which results in good consequences.

To determine trainability organisations should analyse employee's knowledge, personal growth and personnel attitude (Noe & Schmitt, 2006: 39). Also, this analysis includes an organisation-person fit that may lead to an increase in affective commitment (Daley, 2005: 85). Some empirical support has shown that person–organisation fit is positively linked with organisational commitment and is negatively correlated to turnover intention (Chew & Chen, 2008: 57). However there remains a shortage of empirical support linking organisational commitment and needs assessment.

Furthermore, strategic human resource management practices focuses on longer-term people issues which includes strategies of training (Armstrong, 2003: 77). For example, by providing appropriate support and guidance employees will feel appreciated and motivated which will increase performance and reduce turnover. However, in order for an organisation to improve their performance, short-term goals needs to be applied to ensure effective training and a return on investment (Thomas, 2009: 518).

The psychological contract specifies the terms and conditions agreed upon between the organisation and employee (Rousseau, 2008: 143). It also described as the employee's belief regarding terms and conditions of an exchange relationship with their organisation which will be discussed in the next section (Thomas, 2009: 519).

#### 2.3.2.2 Psychological contract

Psychological contracts are defined as the individuals belief of holding the terms and conditions of the exchange agreement between themselves and their organisations or the individuals belief in the terms and conditions of the exchange agreement between the focal person and another group (Rousseau, 2008: 9). In other words, psychological contracts state the company's expectations and outline the employee's responsibilities (Robinson, 2004: 574). Schein (2006: 39) emphasised the importance of the concept of the psychological contract in understanding and manage behaviour in an organisation. Psychological contract theory is used to gain a greater understanding of commitment. Although employee perceptions of the psychological contract and commitment to the organisation are theoretically linked, there is no empirical support for this relationship (Huiskamp & Schalk, 2003: 110). It can be concluded that the psychological contract facilitates the relationship between training and organisational commitment. The next section looks at justice perception which is focused on how fairly everyone is being treated and how consistently company policies and procedures are being applied which will impact their level of commitment.

#### 2.3.2.3 Justice perceptions and organisational commitment

Research has shown that fairness perceptions among employees influence a variety of important organisational outcomes. Cohen, Charash and Spector (2004: 93) have argued that justice judgments affect the attitude, behaviour and decisions made by employees across a wide variety of social contexts. Similarly Hartman (2007: 105) also argued that the concept of organisational justice is measuring and understanding human attitudes and their behaviour within organisations. The underlying principle is that the justice perceptions of employees affect job attitudes and organisational outcomes. Equity in the form of procedural justice and distributive justice was found to predict organisational commitment (McFarlin & Sweeney, 2006: 29). Further, an interaction between the two forms of equity and organisational commitment existed such that the effects of varying levels of perceived distributive justice on organisational commitment were greater in conditions of low perceived procedural justice than they were in high perceived procedural justice conditions.

Similarly Rhodes and Steers (2007: 22) found direct equity to organisational commitment linkages. Ponnu and Tennakoon (2009: 189) in a study of 172 intermediate managerial level employees from the corporate sector in Malaysia found that ethical leadership behaviour has a positive impact on employees' organisational commitment. The study provides empirical support for the theorized notion that ethical leadership behaviour is positively associated with employee's organisational commitment. Rhodes and Streers (2007: 41) found that pay equity was the most important

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contributor to the prediction of organisational commitment for a group of cooperative employees, but was not a significant predictor of commitment for a group of conventional employees.

Folger and Konovsky (2004: 74) state that the appraisal system mostly shifts focus from distributive justice (outcomes) to procedural justice, which establishes grounds for trust and commitment. Dubinsky and Levy (2003: 55) found that pay level, pay rules and distributing tasks (forms of distributive justice) were positively associated with organisational commitment while pay administration, rule administration, work pace and latitude (forms of procedural justice) were positively associated with job satisfaction. Quarles' (2003: 124) path analyses data from internal audit supervisors and staff level auditors found that satisfaction with promotion opportunities (a form of distributive justice) and satisfaction with evaluation criteria used (a form of procedural justice) directly correlated with organisational commitment for the respective groups. In the next section the consequences of organisational commitment are discussed e.g. how committed employees can impact company performance vs. less committed employee.

#### 2.3.3 The consequences of organisational commitment

Igbaria and Greenhaus (2004: 70) believed that age and tenure are positively related to organisational commitment. However, they also confirmed that education levels do not impact organisational commitment. Tu (2007: 102) surveyed senior information system executives in the U.S. and concluded that management support is closely connected to organisational commitment, while role conflict and role ambiguity are negatively related to organisational commitment. They concluded that decentralisation, compensation, training and development, job tenure, and career mobility were related to organisational commitment. On the other hand, age, organisational tenure, level of autonomy, working hours, social involvement, and personal importance were highly correlated with organisational commitment. Bartlett's (2007: 135) study of nurses in public U.S. hospitals demonstrated that employee attitudes toward training, such as perceived access to training, social support for training, motivation to learn, and perceived benefits of training were highly associated with organisational commitment. Kontoghiorghes and Bryant (2004: 130) found a correlation between training effectiveness and organisational commitment. Regarding consequences, O'Malley (2009: 84) proposed a positive outcome that a strong organisational commitment confers on business: enhanced employee retention organisational citizenship behaviour (OCB), which is "behaviour by an employee intended to help co-workers or the organisation and improves organisational performance".

With respect to employee retention, many studies have focused on turnover or turnover intention. For instance, Thatcher, Stepina and Boyle (2003: 157) investigated information technology (IT)

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workers from public sectors in the U.S. Their results indicated that organisational commitment has a negative relationship with turnover intention. Regarding OCB in a study of the behaviour of IT professionals, Pare and Tremblay (2007: 150) concluded that IT professionals who exhibited a strong affective commitment toward their organisation are more likely to show organisation citizenship behaviour than those with a low level of affective commitment or a high level of continuance commitment. From the perspective of performance, knowledge sharing is a characteristic in organisational learning culture that promotes the innovation of Research & Development. For example, Alvesson (2003: 107) contended that, if an organisation creates high levels of organisational commitment, then knowledge generation and acquisition appropriation are successful. In the next section the relationship between organisational commitment and turnover intention is discussed.

#### 2.3.4 Organisational commitment and turnover intention

Previous studies attempted to link employee attitudes (e.g. effective organisational commitment) with behavioural factors (e.g., turnover intention) (Zhao, 2007: 43). Organisational commitment plays a central role in turnover literature. Two recent meta-analyses conducted by Steel and Griffeth (2007: 99) and Meyer *et al.* (2003: 102) confirmed that organisational commitment is an important antecedent of withdrawal behaviours. It is believed that intention to leave is an important antecedent to actual turnover (Angle & Perry, 2003: 35). Committed employees have been found to be less reluctant to leave an organisational commitment refers to the employee's emotional attachment and involvement within the organisation. Committed employees may therefore prolong their stay because they wish to maintain their membership in order to facilitate organisational goals (Suliman & Iles, 2003: 40). However, although more recent research conducted by Hsu (2009: 56) findings showed no significant correlation between organisational commitment and turnover intention, whereas a significantly negative correlation between organisational commitment and turnover intention were found by Pare and Tremblay (2007: 38).

The focus of commitment (i.e., to whom employees are committed) is an important dimension in assessing worker attachment (Reichers, 2008: 127). When commitment is directed at specific foci, differences in commitment will not be related to other attitudes and behaviours in general, but will be related to other attitudes and behaviours with respect to the specific foci (Becker & Billings, 2005: 183). They further found that the locally committed will be more satisfied with supervisor and co-workers than will the globally committed and will engage in more pro-social behaviour directed at supervisor and co-workers than will the globally committed. The globally committed on the other hand will be more satisfied with the top management and the organisation as a whole and will exhibit behaviours such as lower intention to quit.

Moreover organisational commitment is found to be directly related to turnover intentions and one of the added benefits of this research can be to come up with the suggestions that can be helpful in retention of employees and fostering their increased commitment level towards the organisation as a whole. Previous research has demonstrated that intention to leave is one of the strongest predictors and an immediate precursor of employee turnover (Steel & Griffeth, 2007: 98). Besides, empirical findings with regard to the turnover process generally indicated that the effect of attitudes on turnover behaviour is mediated by turnover intention (Tett & Meyer, 2003: 27). Mobley *et al.* (2008: 76) conceptualised turnover intention as statements regarding the specific behaviours of interest. Employees' intentions to leave are consistently related to turnover behaviour and explain more variance in turnover than other affective or emotional responses such as job satisfaction.

It is noted that many of the studies on turnover have centred on the development of conceptual models of the turnover process and empirical validation of the models. Although these models have diverse origins, several have hypothesized job satisfaction and organisational commitment to be antecedents of turnover. In a review by Koehler and Sincich (2004: 80), it was reported that most of the turnover research has looked at the role of effect on subsequent behaviour; job satisfaction and organisational commitment that have been the most frequently investigated links of turnover. Turnover and related variables such as turnover intention, intention to leave, and intention to search for alternative jobs have been the stimulating factor of organisational commitment research (Allen & Meyer, 2003: 75). The underlying assumption of the commitment-turnover linkage is that the more committed an employee is, the less likely he or she will be to leave the organisation (Porter & Steers, 2004: 71). As a result employees are less likely to leave when they are emotionally attached to the organisational commitment as a main factor of intention to leave and many studies have reported a significant negative relationship between the two (Steel & Griffeth, 2007: 99). Next, a discussion is presented on how perceived alterative employment opportunities are linked to intention to leave.

### 2.4 Perceived alternative job opportunities (PAJO) and intention to leave

#### 2.4.1 Introduction

Perceived alternative job opportunities (PAJO) and job-hopping are believed to be two of the most uncontrollable factors in recent studies (Price & Mueller, 2006: 39). PAJO is an individual's perception of the availability of alternative jobs in the labour market (Price & Mueller, 2006: 40). Employees perceive less job opportunities during an economic recession and prefer to stay in a job that ensures a consistent income. Previous research suggests that both PAJO and the labour market conditions are positively correlated with turnover (Steel & Griffeth, 2007: 849). A lack of labour is found to be one

of the most important factors contributing to employee turnover; however there is a lack of research examining this relationship (Steel & Griffeth, 2007: 849).

Job-hopping (or bad attitude) is another uncontrollable factor. Current research found job-hopping is considered one of the most important factors causing turnover (Chew, 2003: 68). As part of an executive's exit interview, human resources reported the reasons senior employees have resigned was due to being underutilised, the job lacked interest and low remuneration (Chew, 2003: 68). Previous research suggests that job hopping in the past consisted of clerical employees looking for alternative employment before resigning from their current position. Currently employees resign without securing alternative employment (Chew, 2003: 68). Based on above findings, people switch jobs because they stagnate in their current position or simply want another challenge. The *"hobo syndrome"* concept was later documented by Ghiselli (2004: 80). It was defined as the desire to move from one job in one place to another (Ghiselli, 2004: 81). Ghiselli argued that this desire to resign and find employment elsewhere is a result of an individual's impulse and not logical thought. Job hopping is also motivated by social influences or turnover cultures. When a turnover culture exists within a company job-hopping become's an acceptable behaviour. In the next section the controllable factors leading to turnover intention are discussed.

#### 2.4.2 Controllable factors

Job satisfaction, organisational commitment and organisational justice are controllable factors in the discussed framework. They are termed controllable factors due to the degree of control an organisation has over them. The most thoroughly investigated relationship is between job satisfaction and turnover intention which is reported in various turnover literature. Previous studies reported a negative relationship between job satisfaction and turnover, as dissatisfied employees are more likely to leave an organisation than satisfied ones (Cotton & Tuttle, 2004: 64). Studies that supports the negative relationship includes Lam, Foong and Moo (2003) and Blau and Boal (2008). Even though the above relationship is negative it does suggest that this correlation should be further investigated to confirm findings and add theoretical value. To effectively investigate turnover, job satisfaction should therefore be combined with other factors such as organisational justice and turnover intention (Mobley, 2008: 45).

A study conducted by Koh and Goh (2004: 139) in Singapore investigated the effects of job satisfaction on turnover intention, which classified satisfaction into various categories: supervision, company identity, work scope, work load, working conditions and reward and recognition. There was however major limitations identified in their study. Firstly, organisational commitment formed part of job satisfaction and was not a factor on its own. As a result findings were inaccurate due to the

effects of job satisfaction and organisation commitment being unclear. The second major problem was the low reliability score of 0.43 (Koh & Goh's 2004: 139). Low reliabilities of scales make their findings doubtful due to their measuring instrument being inconsistent. The last major limitation is the lack of generalizability, findings can only be generalised when data is based on random samples of sufficient size. The research was focussed on clerical employees in the banking industry which is a highly selected group of employees. The study included three facets of job satisfaction: remuneration, work scope, and supervision that were considered relevant in Singapore. Their findings concluded that remuneration is one of the most important factors influencing turnover. Young Singaporeans are found to be more materialistic, as a result are believed to job-hop more often than older employees who are believed to be concerned about security (Campbell & Campbell, 2003: 78). The nature of work is becoming an important consideration due to more Singaporeans having University degrees. In the past employees mostly performed mundane duties in manufacturing plants and lacked the need to perform functions above their job scope (Campbell & Campbell, 2003: 79). In addition to the above findings Debrah (2003: 88) believes that an inflexible supervisor with no interpersonal skills leads to turnover intention. In the next section the controllable factors are discussed in relation to the uncontrollable factors.

#### 2.4.3 Controllable versus uncontrollable turnover

The common perception amongst managerial staff is the lack of labour and employee attitudes are two factors that cause's employee turnover (Cheng & Brown, 2006: 95). When the demand for labour increases more job opportunities become available. Employees with scares skills have the power to choose for which company to work and are always offered alternative employment. As a result, they will switch jobs for an extra incentive. It is documented that various employees are believed to job-hop for no reason (Debrah, 2003: 90). For example, due to societal pressure, employees will change their job because of a friend doing so or relatives having done so. Previous research has found that employees job-hop over petty reasons: disliking the boss's hairstyle or over a minor disagreement with the boss or colleague (Debrah, 2003: 90). HR managers and Head of departments should prevent a turnover culture or bad attitudes from developing due to its impact on productivity and company's overall performance (Debrah, 2003: 90).

The demand for skilled labour compounds the problem of employee turnover. However turnover intention is not solely caused by perceived alternative employment opportunities. A recent study with a population of over 200 companies in Singapore found that human resource management was considered a relatively unimportant function (Khatri, Fern & Mowday 2003: 182). The common problem that exists in companies is that management assume the role of human resources and are

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unable to effectively perform this function, which leads to an unsatisfied workforce (Khatri *et al.*, 2003: 183). Next, the dependent variable will be briefly discussed.

### 2.5 Turnover intentions

#### 2.5.1 Introduction

Intention to leave refers to an individual's perceived likelihood of staying or leaving the employer organisation (Igbara, 2008: 127). Mobley (2003: 41) believes that dissatisfaction leads to thoughts of quitting. There is however numerous steps that occurs when someone is dissatisfied and actually quitting. Firstly, a consequence of dissatisfaction is motivated by thoughts of leaving. These thoughts in turn, stimulate the need to search for a new job and calculating the actual cost of quitting. This is followed by the behavioural intention to search for an alternative job. The thought of looking for employment is turned into a behavioural search. If alternative employment becomes available, the employee will evaluate these alternatives. The present job is compared to the alternatives. If the comparison favors the alternative, it will lead to the intention to quit, which is followed by actual withdrawal (Mobley, 2003: 42).

The intent to leave is an important outcome variable of this study. With the assumption that human beings are rational and thus behave in a consistent manner, Ajzen (2004: 54) proposed the theory of planned behaviour. This theory views a person's intention as a sufficient predictor of behaviour, assuming the individual has volitional control of the situation (Ajzen, 2004: 55). However, human intention need not be completely rational; people often act upon intentions, rational or not (Gilliland, James, Roberts & Bowman, 2009: 134).

Previous research has demonstrated that intention to leave is one of the strongest predictors and an immediate precursor of employee turnover (Griffeth *et al.*, 2007: 73). Besides, empirical findings with regard to the turnover process have generally indicated that the effect of attitudes on turnover behaviour is mediated by turnover intention (Tett & Meyer, 2003: 102).

The employee's intention to leave is consistently related to turnover behaviour and explains more variance in turnover than other affective or emotional responses such as job satisfaction. It is noted that many of the studies on turnover have centered on the development of conceptual models of the turnover process and empirical validation of the models (Meyer *et al.*, 2003: 129). Although these models have diverse origins, several have hypothesized job satisfaction and organisational commitment to be antecedents of turnover. In a review by Jaros, Jermier, Koehler and Sincich (2004: 117), it was reported that most of the turnover research has looked at the role of affect on

subsequent behaviour; job satisfaction and organisational commitment that have been the most frequently investigated links of turnover.

Turnover and related variables such as turnover intention, intention to leave, and intention to search for alternative jobs have been the stimulating factor of organisational commitment research (Meyer *et al.*, 2003: 130). The underlying assumption of the commitment-turnover linkage is that the more committed an employee is, the less likely it is that he or she will leave the organisation (Porter *et al.*, 2004: 81). Previous research has concluded that employees are less likely to leave when they are emotionally attached to the organisation (Porter *et al.*, 2004: 81). The statement can be supported by considerable research which has suggested organisational commitment as a main factor of intention to leave and many studies have reported a significant negative relationship between the two (Steel & Griffeth, 2007: 95). In the next section the reasons for employee turnover are discussed.

#### 2.5.2 Reasons for employee turnover

Many reasons explain why employees withdraw from an organisation especially in an economy where skills are relatively scarce and recruitment is costly, or where it takes several months to fill vacant positions. (This is the present situation in South Africa's Telecommunications industry.) Employees voluntarily resign their appointments in organisations for various reasons which can be classified into two: pull and push factors. The pull factors, according to Sherratt (2004: 38) occur in a growing economy (like in South Africa) with many job opportunities becoming available and employees resigning from organisations to enter into private business. In such cases, the availability of alternative jobs attracts employees to withdraw from a particular organisation. Sherratt (2004: 39) also explained that dissatisfaction with the present job serves as a motivation to seek alternative employment. Sometimes, it is a mixture of both the pull and push factors. However, some reasons for leaving are entirely explained by domestic circumstances outside the control of any employer, as is the case when employees relocate with their spouses or partners.

An employee leaves an organisation due to the following:

- Financial considerations
- Work environment
- Low morale
- Little or no motivation of employees
- Lack of or limited strategic direction
- Lack of leadership or communication
- Lack of empowerment opportunities for employees

- Career development and
- Affirmative action (Abassi & Hollman, 2007: 312)

### 2.5.3 Cost associated with turnover

Schultz and Schultz (2006: 242) concluded that employee turnover is costly for organisations. Whereas Phillips and Connell (2003: 1) believe that the impact of employees leaving cannot be measured, yet the costs can be substantial when considering the following:

- Loss of efficiency and impact on service delivery during the employee's notice period
- The loss of organisational memory
- The costs incurred from recruitment and selection
- Increased training costs
- Loss of efficiency and impact on service delivery during the new employee's orientation and induction period (Schultz & Schultz, 2006: 242)

In the next section the cost and turnover relationship is discussed.

#### 2.5.4 Turnover as cost benefit to organisation

A recent study by the Chartered Institute of Personnel and Development (2007: 2) reveals that not all turnovers are harmful to organisations. Turnover can be positive for organisations, by being cost effective. This occurs when a poor performer is replaced by a more effective and efficient employee. Mello (2006: 569) concludes that turnover allows organisations to hire a new employee that possess current training and who are not locked into existing ways of doing things, which often leads to complacency. In-order for organisations to become competitive they require fresh ideas from outsiders to prevent them from becoming unproductive and stagnant. Turnover can also lower the average tenure of employees and translate into lower payroll expenses. In the next section the war for talent is discussed i.e. the competition for available talent.

#### 2.5.5 The war for talent

In the 21st century, organisations are intensively looking for talent. Due to the high demand for skilled employees globally, many South African organisations are now involved in an aggressive battle for talent so that they can hire and retain talented individuals in the labour market. Those organisations that fail to out-compete their competitors in the war for talent experience high employee turnover rates (Taylor, 2003: 6). The war for talent is becoming more complex every day. During the apartheid era, when South Africa was in isolation, it was barred from trading in certain international markets because of apartheid; thus the battle for talent was kept as a civil war, but with

the global village it means local organisations are now getting involved in the world war for talent (Taylor, 2003: 7). The South African skills situation is similar to that of other third world nations. There is high availability of unskilled employees, inadequate job creation and high scarcity of skilled employees (Barker, 2006: 21). It is crucial that organisations determine the reasons why skilled employees are intending to leave in order to take corrective measures that can induce them stay longer in the organisations.

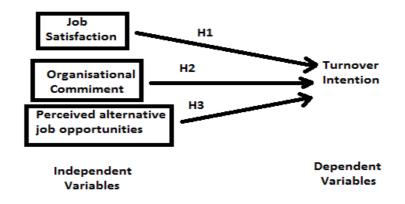
In the next section the theoretical framework used in the study is discussed, which forms the foundation of the study and it concludes the literature review.

### 2.6 Theoretical framework

#### 2.6.1 Introduction

The objective of the study is to investigate whether job satisfaction, organisational commitment and perceived alternative job opportunities are correlated with turnover intention. The framework for this research study has three independent variables namely job satisfaction, organisational commitment and perceived alternative job opportunities, and one dependant variable turnover intention as illustrated below:

Figure 1: The Turnover Model



(Rahman et al., 2008: 48)

Previous research has concluded that job satisfaction on its own is not a sufficient predictor of turnover intentions (Howard & Homma, 2005: 218). They therefore suggest that factors such as organisational commitment and employment opportunities should also be added as variables in an effort to accurately measure turnover intention. Samad (2006: 37) added organisational commitment to a similar study and found negative correlation with turnover intentions. Moncrief and Vingiello (2003: 189) conducted a research survey which obtained similar findings on job stress and were consistent with findings obtained by Samad (2006). Elangovan (2008: 45) argued that there is indeed

a correlation between organisational commitment and turnover intention i.e. lower commitment increases turnover intention.

Job satisfaction is believed to also be a mediating variable between organisational identification and turnover (Dick, 2004: 229). According to their study, employees want to feel part of an organisation which in turn increases job satisfaction and predicts turnover intention. It can be concluded that turnover is the result of turnover intentions. Research conducted by Morrison (2004: 120) concluded that both job satisfaction and organisational commitment are positively correlated with turnover intentions.

The turnover model also includes perceived alternative job opportunities as an independent variable to effectively measure turnover intention. When employees are unhappy and organisations fail to provide growth opportunities, they will actively start searching for alternative employment (Negrin & Tzafrir, 2004: 115). Findings of Ing-San Hwang and Jyh-Huei Kuo (2006: 245) concluded a positive correlation between perceived alternative job opportunities and turnover intention for a study conducted in the public sector organisations. Their findings were consistent with results obtained by Lambert, Hogan and Barton (2006: 247). Whereas findings of Dick (2004) revealed that job satisfaction has the most significant correlation with turnover intention which was more than results obtained for both organisational commitment and perceived alternative employment. Thatcher, Stepnia and Boyle (2003: 242) found a strong correlation between perceived alternative job opportunities and turnover intention in the information technology industry. Organisational commitment had a positive influence on turnover intention in their study (Thatcher, Stepnia & Boyle, 2003: 242). The researchers also believe that organisational commitment is a mediating variable between job satisfaction and turnover intention.

### 2.7 Conclusion

Chapter two discussed the independent variables job satisfaction, organisational commitment, perceived alternative job opportunities and the dependent turnover intention. The literature review was organised by theme or construct; (a) job satisfaction and intention to leave, (b) organisational commitment and intention to leave, and (c) perceived alternative job opportunities and intention to leave. The model by Rahman *et al.* (2008: 48) depicting the relationship between the independent and dependent variables was used and forms the theoretical framework for the study.

The first section introduced the concept of job satisfaction and highlighted the different motivational theories relating to job satisfaction. An overview was provided of the literature pertaining to job satisfaction antecedents, in which personal determinants and organisational factors impacting job

satisfaction were discussed. This also included how job dissatisfaction impacts an employee and company. From the literature review it is evident that job satisfaction is a phenomenon that has been extensively researched and is of importance to employees and managers alike. In this regard, the literature concluded that job satisfaction has a distinct effect on productivity, turnover and absenteeism.

The second section introduced both the concept of organisational commitment and Meyer and Allen's (2005: 177) three component model:

- Affective commitment refers to an employee's level of emotional attachment to the organisation. Employees with strong emotional attachment continue employment with the organisation and usually have a long tenure.
- Normative commitment refers an employee's feeling of obligation to continue employment.
   These employees feel that they should remain with the organisation. Finally,
- Continuance commitment refers to the awareness of the costs associated with leaving the organisation.

Components of organisational commitment were explained in isolation. The section also discussed the antecedents and consequences of commitment and the impact on an organisation's overall performance, whereby foci of commitment and psychological contract were discussed amongst others. It was evident that commitment is a phenomenon that has been extensively researched and is of importance to employees and managers alike. In this regard, the literature concluded that the more committed employees are the less likely it is that they will leave the organisation.

The third section introduced the concept of perceived alternative job opportunities and job hopping and its relation to turnover. The section started with defining the two concepts. A global perspective of how it leads to turnover is attained with the intention of gathering empirical evidence that gave clarity on these concepts and how the controllable and uncontrollable factors should be addressed. It was concluded that PAJO is a phenomenon that has not been extensively researched unlike the other two independent variables and is of importance to employees and managers alike. In this regard, the literature concluded that turnover intention is not triggered by PAJO alone; contributing factors can include labour shortage and employee attitudes which causes employee turnover.

The fourth section introduced the dependent variable which is turnover intention and highlighted the theories and understandings of various authors of the widely researched concept. Many reasons including the push and pull factors were examined as to why employees leave their organisation and the impact it has on a company. One author concluded that employee turnover is costly for an organisation, whereas another believes that some turnovers impact positively and are cost effective. Due to the high demand for skilled employees globally, many South African organisations are involved in an aggressive battle for talent so that they can hire and retain talented individuals in the labour market. Furthermore, the section provided an overview of the mediating steps between dissatisfaction and actual quitting developed by Mobley (2003: 42). This concludes the literature review; the next chapter focuses on how, when and where the research was conducted.

# **CHAPTER 3**

# **RESEARCH METHODOLOGY**

### **3.1 Introduction**

The chapter highlights how the research problem was explored, with specific reference made to how the participants were selected and the procedure followed to gather the data. Furthermore, the ethical considerations and confidentiality aspects are addressed; the measuring instruments to gather the data and its ensuring psychometric properties are discussed. The chapter concludes with the statistical techniques utilised for the data analysis.

The researcher replicated an existing study by Rahman *et al.* (2008) titled, "*Measuring Turnover Intention: A Study of IT Professionals in Pakistan*". Currently, the Telecommunications industry in South Africa is facing similar retention challenges. Without valuable employees, a business cannot generate revenue and prosper (Cascio, 2003: 106). Reducing employee turnover is both strategic and very important in ensuring that an organisation remains profitable. The replicated study builds on Rahman's original study, by making it relevant today and applying it to the Telecommunications industry in South Africa.

Rahman *et al.* (2008), concentrated on three independent variables: job satisfaction, organisational commitment and perceived alternative job opportunities which are believed to be correlated with turnover intentions. The findings concluded that the independent variables have a positive but not significant correlation with turnover intentions and is believed to be the major factors associated with turnover intention among IT professionals in Pakistan (Rahman *et al.*, 2008: 45). The key concepts and hypotheses used in the study are defined below:

#### 3.1.1 Hypotheses

- a) H<sub>0</sub> : There is no correlation between job satisfaction and turnover intention.
   H<sub>1</sub> : There is a significant correlation between job satisfaction and turnover intention.
- b)  $H_0$ : There is no correlation between organisational commitment and turnover intention.

H<sub>2</sub>: There is a significant correlation between organisational commitment and turnover intention.

c)  $H_0$ : There is no correlation between perceived alternative job opportunities and turnover intention.

 $H_3$  : There is a significant correlation between perceived alternative job opportunities and turnover intention.

#### **3.1.2 Definitions of key terms**

- **1.** Job Satisfaction: "The worker's appraisal of the degree to which the work environment fulfils the individual's need" (Locke, 2008: 459).
- **2. Organisational commitment:** "A psychological state that characterizes an employee's relationship with an organisation and has implications for the decision to continue membership of the organisation" (Meyer & Allen: 2006: 94).
- **Perceived Alternative Job Opportunities:** "An individual's perception of the availability of alternative jobs in the organisation's environment" (Price & Mueller, 2007: 558).
- **Turnover intention:** *"Employee's plan of intention to quit the present job and look forward to find another job in the near future"* (Ramlall, 2003: 122).

### 3.2 Research design

### 3.2.1 Population

The participating company has come a long way since establishing radar, identification and data link technologies in the 1980's. More recently, the implementation of a deliberate strategy to move higher up the value chain has enabled the participating company to enter the system integration domain (Locke, 2003: 504). With a sense and respond mind-set, the company is in a position to provide effective solutions to customers' needs. The company has a complex structure, which is a combination of a bureaucratic and a matrix structure. The company is extremely client focused with various projects managers and their specific teams focusing on satisfying specific client needs. Telecommunications is one of the fastest growing sectors of South Africa's economy, reflecting the rapid growth of mobile telephony in the country. The communications sector, together with transport and storage, accounts for almost 10% of gross domestic product (GDP). The population targeted in this study included permanent and contract employees (N = 401), spanning four (4) Divisions (Defence Cape Town, Communication Solutions, Strategic Projects Group and Electronic Manufacturing) and six (6) Directorates (Financial Administration, Supply Chain Management,

Research and Development, Labour Relations, Human Resource Management and Information Management) within the participating organisation.

#### 3.2.2 Sample

For the purpose of the study a non-probability sampling design in the form of a purpose sampling method was adopted and considered to be appropriate to gather the data. The rationale for using this sampling method was due to the respondents being accessible, their availability, as well as it being less time consuming and inexpensive to gather the research information. The Convenience sampling method was used which is also known as grab, opportunity, or accidental sampling (Steel & Griffeth, 2007: 98). As the name describes, the researcher chooses subjects because of convenience. This research used subjects that are easy to reach. The unit of analysis consists of the following disciplines: Executives, Project Managers, (Systems, Hardware, Software and RF) Engineers, Technicians and individuals designated towards design and implementation of engineering (telecoms) systems.

Welman and Kruger (2003: 62) contend that *"the advantage of non-probability samples is that they are less complicated and more economical than probability samples"*. Convenience sampling involves collecting information from members of the population that are near and readily available for research purposes. However, a limitation highlighted by Leedy and Ormrod (2003: 78) in terms of utilising convenience sampling is that it is not necessarily representative of the population and therefore the results are not generalisable to other entities. Hence, taking cognisance of the above-mentioned and that a non-probability sample was used, the external validity of the study was compromised.

Specific employees were solicited to partake in the study. Thus, one hundred and fifty (150) questionnaires were administered of which one hundred and twenty one (121) questionnaires were returned, yielding a 76% response rate. According to Sekaran (2006: 82), a response rate of thirty percent (30%) is regarded as acceptable for most research purposes. This good response rate can be attributed to inter alia: the participants being informed well in advance of the purpose and objectives of the research, buy-in from the Head of Department and the assistance of HR and senior managers in administering the questionnaires.

Furthermore, the researcher is employed by the participating company and was therefore acquainted with the participants, thus making it easier to ensure co-operation and follow-up. The sample (n = 150) comprised of males and females, permanent and contract employees, extending

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across all occupational classes. However, response rate was seventy five percent (76%). For data analysis, statistical package of social sciences (SPSS) was used to infer the results.

### 3.3 Procedure

Prior to conducting the study permission was obtained from the Managing Executive of the participating company. The researcher was given access to departmental information necessary for the research. To evoke an interest in the study, all senior managers and employees residing under their supervision were initially informed via e-mail about the purpose and objectives of the study and when the study would be conducted. The confidentiality, anonymity and voluntary nature of the study were also addressed, and assurance given that the information acquired would only to be used for research purposes.

A total number of one hundred and fifty (150) questionnaires in the research study were conveniently distributed to respondents that were accessible. Attached to the questionnaire was a cover letter (see Appendix A) re-iterating the aims and objectives of the study, and giving assurance that anonymity would be protected, that responses would be confidential, and that the study is for research purposes only. The instructions on how to complete the questionnaire were stated.

A contact person employed within each division including HR was identified to assist with the distribution of the research questionnaires. To ensure anonymity and confidentiality, participants were requested to return the questionnaires to the researcher within one (1) week in the enclosed envelope provided.

### 3.4 Questionnaire

The instruments used to gather the data included three (3) sections: biographical, organisational commitment, job satisfaction and perceived alternative job opportunities, and turnover intention (see Appendix A), which is a self-administered questionnaire. Dessler (2003: 46) points out the following in terms of using questionnaires as a method of data collection:

- It is a quick and efficient way to obtain information from a large number of individuals;
- It is less costly than interviewing a vast number of people; and
- Questionnaires secure participants' anonymity.

The major drawbacks of using questionnaires are however, outlined by Bless and Higson-Smith (2004: 146):

- The response rate for questionnaires tend to be low;
- The literacy levels of respondents are not known to the researcher in advance; and
- The researcher runs the risk of receiving incomplete questionnaires that will have to be discarded.

The questionnaire used consisted of various sections in order to obtain demographic information relevant to the sample and to measure the dependent and independent variables in the study i.e. Employee commitment, Job Satisfaction, Perceived Alternative Job Opportunities and Turnover Intention. Participants were asked to furnish information with regard to their occupational class, race, gender, educational level, age, marital status, job status and years of service employed at the participating company. The questionnaire is divided as illustrated below:

- Section 1: Biographical information
- Section 2: Organisational Commitment Questionnaire (OCQ), Perceived Alternative Job Opportunities (PAJO) and Turnover Intention (TI)
- Section 3: Job Satisfaction (JS)

### 3.4.1 Utilisation of Likert - type scales

The use of a quantifiable scale when seeking information about non-mathematical statements has been integrated into scaling systems such as the Likert scale, which was used in the survey. A 5-point Likert scale has the following advantages: easy to use, easy for respondents to answer, allows for several types of analysis to take place and good discriminating ability. While there are issues and concerns about the limitations of such scales, the use of this method appears to have been accepted in behavioural and attitudinal research, including employee satisfaction and commitment (Ellickson, 2003: 75). A five-point scale anchored by standard "strongly disagree" and "strongly agree" designations are used. Since the five-point Likert scale is common in various areas of research, the general population is familiar with the format. Therefore, in addition to external validity, the use of a Likert scale could be considered a benefit as it would reduce the amount of potential confusion and increase the internal validity of the questionnaire.

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Strongly Dissatisfied	Dissatisfied	Neither Satisfied nor Dissatisfied	Satisfied	Strongly Satisfied

### 3.5 Measurements and instrumentation

The variables investigated in this study, namely organisational commitment, job satisfaction and perceived alternative opportunities have been researched and delineated in terms of intention to leave, as discussed in this chapter. The following measurements and instruments will be used:

#### 3.5.1 Instruments

3.5.1.1 **Employee Commitment** - Organisational Commitment Questionnaire (revised) (OCQ) developed by Meyer and Allen (2005: 73) was used to measure employee commitment. The OCQ has also been extensively investigated, and substantial research has explored and discussed the reliability and validity (Meyer & Allen, 2003: 73). The OCQ is regarded as the most carefully designed and developed instrument for measuring employee commitment (Kh Metle, 2003: 136). Over 50% of the articles published between 1987 and 2006 in seven leading management related journals that used non-ad hoc measures of employee commitment employed the OCQ (Kh Metle, 2003: 137). The revised questionnaire includes three components of commitment, namely affective, continuance and normative.

3.5.1.2 **Turnover intention** – The scale developed by Sanders and Roefs (2004: 187), was used to measure turnover intention. Spector (2005: 75) adds that TI directs general attitude towards the job and employer, and allows for different areas of turnover intention to be independently measured. It requires respondents to rate the likelihood of staying at the job until next year, whether they thought about quitting and their degree of loyalty. This instrument has been employed in previous surveys in the public sector to measure Turnover intentions (Schneider and Vaught, 2003: 242).

3.5.1.3 Job Satisfaction (JS) and the Perceived Alternative Job Opportunities (PAJO) – The General Job Satisfaction Survey (JDS) developed by Hackman and Oldman (Cook & Rice, 2003: 37) were used to measure both JS and PAJO. The five item job diagnostic survey (JDS), known as the General Job Satisfaction Survey (short form), assesses overall job satisfaction (Hackman & Oldman, 2008: 98). The

JDS has likewise been extensively studied, and steadily utilized by researchers. Spector (2004: 106) states, *that the JDS is a proven valid and reliable instrument for the assessment of job satisfaction*. Cockcroft (2003: 114) concludes that the JDS has been standardised and found to be suitable for South African conditions. The JDS has been consistently correlated with overall job satisfaction, growth satisfaction and internal work motivation (Fried & Farris, 2005: 291).

### 3.6 Statistical techniques

The data or responses collected were transferred to the computer for analysis after appropriate coding process. SPSS software was used to conduct the statistical applications for this study. Besides coding, all the negatively worded statement responses with reversed score had to be compared to the positively worded items before any statistical applications could be run on the surveys.

The selection of techniques to analyse the result of this study was based on the research objectives. Data or findings were gathered using various instruments i.e. organisational commitment questionnaire (OCQ), general job satisfaction survey (JDS) and turnover survey (TI). A descriptive analyses, Cronbach's Alpha, Pearson product-moment correlation coefficient (significance level of \*0.05) were used to test the hypotheses and by answering research questions. The demographic profile of respondents in relation to the variables was also demonstrated.

### 3.7 Ethics

The survey instrument is administered and processed confidentially: therefore, there are no inherent risks associated with the completion of the employee survey. All employees participating in the survey did so voluntarily and the individual information is not accessible to the company population or people outside the company in a manner such that one would be able to detect the identity of a specific individual. Further, the data collected by the company was delivered for use in this research in a manner that continued anonymity for the individual employee.

Information obtained in this study is considered confidential unless its disclosure is required by law. While the company granting access to the employee survey data requires the opportunity to review the information from this study prior to submittal, the company representatives are not given any authority to amend or revise any of the analysis or conclusion as a result of this research. Certain benefits, however, are potentially available to management and employees through the analysis of these data. Executive management of the company as well as survey administration experienced interest in reading the conclusions of this research. It is possible that through a better understanding of these data, enhancements may be made to processes which will affect feelings of employee empowerment and employee satisfaction, thereby enhancing the quality of life for employees.

### **3.8 Conclusion**

This chapter outlined the research problem, the research design, the nature of the sample, and the procedure used to collect the data. Confidentiality issues were addressed. The measuring instruments adopted were described with specific reference made to how the participants were selected and the procedure followed to gather the data and statistical techniques employed to test the research hypotheses.

This concludes the research methodology; the next chapter discusses the results obtained in the study.

# **CHAPTER 4**

## FINDINGS

### **4.1 Introduction**

This chapter discusses the analysis of the questionnaire in which data was collected, using the process discussed in the previous chapter. According to De Vos and Fouche (2009: 203), data analysis involves the analyst breaks down data into constituent parts to obtain answers to research questions and to test hypotheses. The analysis of research data does not on its own provide the answers to the research questions.

The first section presents the demographics which were obtained by asking respondents to provide personal information which is then presented in a graphical format. The second section presents the data or findings gathered using various instruments i.e. organisational commitment questionnaire (OCQ), general job satisfaction survey (JDS) and turnover survey (TI). The Cronbach's Alpha was used to assess the reliability of all constructs: job satisfaction, organisational commitment, perceived alternative job opportunity and turnover intention. Pearson product-moment correlation coefficient (PPMCC) analyses are used to test the relationship among variables with a significance level of \*0.05. This layout will ensure that the chapter has a logical flow; data can therefore be easily followed and understood.

### 4.2 Description of the sample

The population of the study comprised employees from a large business within the Telecommunications industry in South Africa. The population is N = 401 (unit of analysis), which is the number of employees employed at the participating company. The participating company has come a long way since establishing radar, identification and data link technologies in the 1980's. More recently, the implementation of a deliberate strategy to move higher up the value chain has enabled the participating company to enter the system integration domain (Locke, 2003: 504).The population targeted in this study included permanent and contract employees, spanning across four (4) Divisions (Defence Cape Town, Communication Solutions, Strategic Projects Group, Electronic Manufacturing) and six (6) Directorates (Operations, Supply Chain Management, Research and Development, Labour Relations, Human Resource Management and Information Management). The company is extremely client focused with various projects managers and their specific teams focusing on satisfying specific client needs.

Convenience sampling method was used which is also known as grab, opportunity, and accidental sampling (Steel & Griffeth, 2007: 98). As the name describes, the researcher chooses subjects because of convenience. Respondents that were easy to reach and accessible were given a survey. The sample size consisted of 150 respondents, although 29 questionnaires were not returned, thus reducing the number of returned questionnaires to 121.

The sample mostly consisted of respondents from the Human Resources, Administration, Marketing and Sales, Research and Development and Engineering departments (see table 2). This implies that most of the results will be generalised across the staff category. The respondents were males and females of different ages and marital status. The respondents had varying academic qualifications.

SUBGROUPS	FREQUENCY	PERCENTAGE
Human Resources	10	8.26%
Administration	29	23.97%
Marketing and Sales	18	14.88%
Research and Development	28	23.14%
Engineering	36	29.75%
TOTAL	121	100%

Table 2	2: Distribution	of sample	è
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Data was collected in July 20, 2012 and August 18, 2012 according to the schedule as set out in the previous chapter. The researcher reminded the respondents to complete the survey and a high response rate was obtained. The next section consists of the main results, which will be reported by means of tables.

### 4.3 Main results

The SPSS 2.0 was used to analyse the data. SPPS is an advanced tool for analysing a variety of statistical samples and is used to evaluate sets of statistical data. The demographic information will be analysed in the following order: race, age, gender, marital status, highest educational level, job status, years of service and summary.

#### 4.3.1 Demographic statistics

The following section provides an overview of the demographic profile of the sample. The demographic information indicates that there is gender imbalance, that is, there are more male respondents than females. Therefore, the results will be biased towards male opinions. The majority of the respondents are within 30-39 years old (40%). The respondents are well-educated as most of them hold a 3 year degree/diploma. Coloureds are in the majority (41 %), followed by Whites, Africans and Asians. Most of the respondents are married (44 %) and a few are single. About 80% of the respondents are permanent and 42% had tenure between 3-10 years. It is clear that based on the above the sample is fairly representative of both the population and the industry. By obtaining the demographic information the researcher is able to identify which peer group are more prone to leave the participating company.

SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	POPULATION PERCENTAGE
African	30	24.79%	103	25.69%
Coloured	49	40.49%	129	32.17%
Asian	1	0.83%	3	0.75%
White	36	29.75%	120	29.83%
Omitted	5	4.13%	46	11.47%
TOTAL	121	100%	401	100%

4.3	.1.	1	Race
		-	i lace

Table 3: The distribution of race

Table 3 above shows the distribution of race in this study. Compared to the population, about 30 (24.79%) of the respondents were African, 49 (40.49%) Coloured, 1(0.83%) Asian, 36 (29.75%) White, and 5 (4.13%) did not provide information. 11% of the total population do not feel comfortable being grouped into a racial category. Thus the sample is biased towards Coloured respondents, followed by Whites. The participating company is fairly diverse in terms of its company profile.

4.3.1.2	٩ge
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SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	POPULATION PERCENTAGE
21 Years and younger	2	1.65%	10	2.49%
22-29 years	38	31.40%	103	25.96%
30-39 years	48	39.67%	163	40.65%
40-49 years	24	19.83%	81	20.20%
50 years and older	9	7.44%	44	10.97%
TOTAL	121	100%	401	100%

Table 4: The distribution of age

Table 4 above shows the distribution of age in this study. Compared to the population, the greatest number of the respondents were in the in their 30s (48 or 39.67%) followed by those aged between 22 and 29 years (38 or 31.40%), between 40 and 49 years (24 or 19.83%) and 50 years and above (9 or 7.44%). Only 2 (or 1.65%) were aged 21 years and younger. From the ensuing results it can be concluded that the majority of respondents are fairly young. It is believed that younger staff is more dynamic and have better information technology skills than older workers (Hackman & Oldman 2002, 89). Baby boomers are slowly retiring and knowledge systems are transferred and retained through succession planning, mentorships, fast tracking, Accelerated Development Programmes (ADP). The older workforce is more likely to remain loyal and committed and have different priorities compared to younger staff.

### 4.3.1.3 Gender

SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	POPULATION PERCENTAGE
Male	78	64.46%	219	54.61%
Female	42	34.71%	179	44.64%
Omitted	1	0.83%	3	0.75%
TOTAL	121	100%	401	100%

Table 5. The distribution of gender

Table 5 above shows the distribution of gender in this study. Compared to the population, about 78 (64.46%) of the respondents were male, 42 (34.71%) female and 1 (0.83%) did not provide information. The high male response rate is attributed to the participating company having 219 males on its payroll, which reflects the nature of the industry. It is known that the Telecommunications industry is dominated by males. The participating company needs to look at

ways to attract and retain skilled females especially in managerial positions as part of a measure to improve their employment conditions.

4.3.1.4	Marital	status
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				POPULATION
SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	PERCENTAGE
Single	46	38.02%	132	32.92%
Married	53	43.80%	140	34.91%
Divorced	19	15.70%	81	20.20%
Widowed	3	2.48%	48	11.97%
TOTAL	121	100%	401	100%

**Table 6:** The distribution of marital status

Table 6 shows the marital status of 121 respondents. Compared to the population, it is clear that the majority of the respondents (53 or 43.80%) were married at the time of the survey. Meanwhile, 46 (38.02%) respondents were single. It can be concluded that most of the employees at the participating company are married. Employees who are married have a greater preference for job security and are less likely to job hop compared to those that are single with less or no responsibility. Those with dependants will always think about their family members before making any drastic decisions.

### 4.3.1.5 Highest education level

SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	POPULATION PERCENTAGE
Up to Std.9/Gr11	21	17.35%	83	20.70%
Std.10/Gr12	36	29.75%	119	29.68%
3 Years Degree/Dip	48	39.67%	127	31.67%
Post Grad	12	9.92%	64	15.96%
Other	4	3.31%	8	2.00%
TOTAL	121	100%	401	100%

**Table 7:** The distribution of highest education level

Table 7 shows the distribution of highest education level among 121 respondents. Compared to the population, it is clear that more than half of the respondents had a 3 year degree/diploma (48 or 39.67%). Those with Std. 10/Gr12 were 36 (29.75%), Post graduate 12 (9.92%) and 10 (8.26%) had an educational level up to Std.9/Gr11. It can be concluded that most of the employees are well educated. It is clear the participating company employs skilled employees due to the type of products and services being delivered. While most (if not all) jobs require some level of skill, skilled

workers bring some degree of expertise to the performance of a given job. Both skilled and nonskilled workers are vital and indispensable for the smooth-running of a free-market and/or capitalist society (Mills, 2002: 48).Generally, however, individual skilled workers are more valued to a given company than individual non-skilled workers, as skilled workers tend to be more difficult to replace. As a result, skilled workers tend to demand more in the way of financial compensation because of their efforts.

#### 4.3.1.6 Job status

				POPULATION			
SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	PERCENTAGE			
Permanent	87	80.17%	287	71.57%			
Contract	34	19.83%	114	28.43%			
TOTAL	121	100%	401	100%			

Table 8: The distribution of job status

Table 8 above shows the distribution of job status in this study. Compared to the population, about 87 (80.17%) of the respondents were permanent and 24 (19.83%) contract. Thirty percent of the company's employees are employed on a contractual basis. This is an easy way for employers to get experienced staff and save money at the same time which is also referred to as '*cheap labour*'. Most of the contract workers (white race group) are experienced specialists in their discipline e.g. engineers and technicians. It is more affordable to have them employed on a temporary basis. The company's philosophy is having the core function of skilled employees permanently employed, whereas keeping your overheads on a temporary or fixed term basis. Competitive companies have a flexible workforce which means that they only employ staff when the need arises. Their overheads will thus be reduced and their profits increased (Hackman & Oldman 2008, 97). The Labour Relations Act however protects temporary workers and stipulates that fixed term contracts should not be renewed on a continuous basis, therefore preventing companies from constantly rolling over contracts.

### 4.3.1.7 Years of service

SUBGROUPS	FREQUENCY	PERCENTAGE	POPULATION	POPULATION PERCENTAGE	
Less than 2	18	14.88%	44	10.97%	
years	10	14.0070	77	10.3776	
3-10 years	51	42.15%	131	32.67%	
11-20 years	24	19.83%	103	25.69%	
21-30 years	23	19.01%	87	21.69%	
Over 31 years	5	4.13%	36	8.97%	
TOTAL	121	100%	401	100%	

Table 9: The distribution of years of service

Compared to the population Table 9 shows the greatest number of respondents with work experience of 3 to 10 years (51 or 42.15%). 24 (19.83%) of the respondents were working for 11 to 20 years, 23 (19.01%) were working for 21 years to 30 years, 18 (14.88%) had been working less than 2 years and 5 (4.13%) over 31 years. It can be concluded that most employees have a long tenure at the participating company, which means that the majority of employees are loyal and committed. The next section summarises the key characteristics of the sample and how it relates to the population.

### 4.3.1.8 Summary

The biographical information when relating to the population:

- The majority of employees employed by the participating company fall within the Coloured race group 129 (32%), with the least represented group being Asian 3 (0.75%).
- The majority of employees are aged between 30-39 years 163 (40.65%), with the least represented aged group aged between 21 years and younger 10 (2%).
- The gender distribution consisted of the majority employees being 219 (55 %) male and 179 (45 %) female.
- The marital status distribution consisted of 132 (33%) single and 140 (35%) married employees.
- The majority of employees have a 3 Year Degree or Diploma 127 (32%), with the least represented group having up to Std.9/Gr11 (21%) 83.
- The job status distribution consisted out of 287 (72 %) being permanent and 114 (28%) contract employees.
- The years of service distribution showed the greatest number of employees with work experience of 3-10 years 131 (33%), with the least represented group over 31 years being 36 (9 %).

Next, the reliability of data collected is being discussed using Cronbach's Alpha to test the reliability of variables.

### 4.3.2 Reliability of data

The Cronbach's Alpha was used to assess the reliability of all constructs: job satisfaction, organisational commitment, perceived alternative job opportunity and turnover intention. Cronbach's Alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It will generally increase as the inter-correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores. Internal consistency describes the extent to which all the items in a test measure the same concept or construct and hence it is connected to the inter-relatedness of the items within the test (Saharan, 2003: 78).

According to Sekaran (2006), reliabilities with less than 0.60 are deemed poor while those in the range of 0.70 – 0.80 are acceptable and those above 0.80 are considered as good. Based on this rule, the above table shows the Cronbach Alpha values for both independent (JS, OC and PAJO) and dependent (TI) variables are considered good. The final output of the reliability test is shown in Table 4.8. The Cronbach's Alpha obtained the analysis for all constructs: employee commitment 0.874, turnover intention 0.846, job satisfaction 0.812 and perceived alternative job opportunities 0.896, which are higher than the significance level of 0.05.

MEASUREMENT (CONSTRUCT)	Α	No of items	p-value
1. Job Satisfaction	0.874	15	0.714*
2. Organisational Commitment	0.846	5	0.065*
3. Perceived Alternative Job			
Opportunities	0.812	18	0.081*
4. Turnover Intention	0.896	4	

 Table 10: Reliability scores of instrumentation

\*Significance level 0.05

The internal reliability of the key measures used in this study was found to be satisfactory. The alpha values for all components assessed on the basis of the respondents are shown in Table 10. The tabled values support the independence of the various measures. These are consistent with the findings in previous research which indicated an alpha level 0.781 found by Meyer and Allen (2005), 0.801 found by Kh Metle (2003), 0.797 found by Spector (2005) and 0.883 found Hackman and Oldman (2008).

Next, the inferential statistics are discussed by making predictions or inferences about the population through analysing the sample. The type of inferential statistics used is correlation analysis in order to measure the strength of a relationship between two variables.

### 4.3.3 Inferential statistics

Statistical inference produces reasonable answers when applied to well-defined situations and it should be general enough to be applied across a range of situations. The main objective is to investigate whether job satisfaction, organisational commitment and perceived alternative job opportunities are correlated with turnover intention.

The anticipated results would provide empirical evidence which will enable the participating company in the Telecommunications industry to better understand the reasons associated with employee turnover and what factors/incidences lead to employees leaving. The study aimed to answer the following research questions:

- How does job satisfaction affect turnover intention?
- How does organisational commitment affect turnover intention?
- How do perceived alternative job opportunities affect turnover intention?

To address these research questions, a quantitative research design using a survey was employed. A hypothesis is an explanation for a phenomenon that can be tested in some way that ideally either proves or disproves it. Based on the research questions, the following research hypotheses were formulated, namely:

### Hypothesis 1:

- $H_0$  : There is no correlation between job satisfaction and turnover intention.
- H<sub>1</sub> : There is a significant correlation between job satisfaction and turnover intention.

### Hypothesis 2:

- H<sub>0</sub> : There is no correlation between organisational commitment and turnover intention.
- H<sub>2</sub> : There is a significant correlation between organisational commitment and turnover intention.

#### Hypothesis 3:

- H<sub>0</sub> : There is no correlation between perceived alternative job opportunities and turnover intention.
- $H_3$  : There is a significant correlation between perceived alternative job opportunities and turnover intention.

When determining the appropriate analysis for testing hypotheses, it was important to use techniques that are consistent with other similar studies. Correlation analysis was compared to previous studies and it can be concluded to be consistent with their findings, including those of Spreitzer and Gretchen (2005), Corrigan (2008), Brossoit (2006) and Scott, Bishop and Chen (2003). Correlation analysis using the Pearson product moment correlation co-efficient as a statistical measure was therefore utilized in testing the hypotheses: 1, 2 and 3.

The Pearson product-moment correlation coefficient (PPMCC) refers to the strength of a relationship between two variables. A strong correlation is when two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related. Correlation coefficients can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 indicates that no relationship exists between the variables being tested (Saharan, 2003: 81).

# **4.3.3.1** Research question 1: The question of how job satisfaction affects turnover intention was tested using the following hypotheses

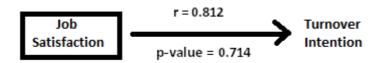
- H<sub>0</sub> : There is no correlation between job satisfaction and turnover intention.
- H<sub>1</sub> : There is a significant correlation between job satisfaction and turnover intention.

The General Job Satisfaction Survey (JDS) developed by Hackman and Oldman (Cook & Rice, 2003: 37) was used to measure both JS and PAJO. The five item job diagnostic survey (JDS), known as the General Job Satisfaction Survey (short form), assesses overall job satisfaction (Hackman & Oldman, 2008: 98). The JDS has likewise been extensively studied, and steadily utilised by researchers. The JDS has been consistently correlated with overall job satisfaction, growth satisfaction and internal work motivation (Fried & Farris, 2005: 291). Hypothesis 1 addressed the relationship between job satisfaction and turnover intention. The group of eighteen questions for job satisfaction were summed and compared to the sum of the five turnover intention questions. SPSS was used to perform a correlation analysis. The Pearson product-moment correlation coefficient (PPMCC) between job satisfaction and turnover intention was r = 0.812 with a p-value = 0.714\*, indicating that

the correlation is positive but not significant (see table 4.8). A value greater than 0 indicates a positive association, that is, as the value of one variable (job satisfaction) increases, so does the value of the other variable (turnover intention). A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. Since the relationship was theoretically significant but not statistically significant, null hypothesis 1 is accepted and the alternative hypothesis is rejected.

The PPMCC in this study found that hypothesis 1 was r = 0.812 which is greater than the coefficient r = 0.028 found by Rahman *et al.* (2008); 0.469 found by Corrigan (2003) and 0.460 found by Daily and Bishop (2003). The value implies that a linear equation describes the relationship between X and Y perfectly, with all data points lying on a line for which Y increases as X increases. It can be concluded that the relationship between job satisfaction and turnover intention is more significant than the findings of previous studies.

#### Figure 6: Correlation between job satisfaction and turnover intention



The above figure illustrates the relationship between job satisfaction and turnover intentions (r = 0.812 and p-value = 0.714\*). Job satisfaction differs in relation to biographical characteristics e.g. younger employees are driven and motivated by salaries and career growth, whereas the older or matured workforce is more concerned with security and benefits.

# **4.3.3.2** Research question 2: The question of how organisational commitment affects turnover intention was tested using the following hypotheses

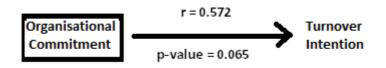
H<sub>0</sub> : There is no correlation between organisational commitment and turnover intention.
 H<sub>2</sub> : There is a significant correlation between organisational commitment and turnover intention.

The Organisational Commitment Questionnaire (revised) (OCQ) developed by Meyer and Allen (2005: 73) was used to measure employee commitment. The OCQ has also been extensively investigated, and substantial research has explored and discussed the reliability and validity (Meyer & Allen, 2003: 73; Kh Metle, 2003: 128 & Fried & Farris, 2005: 277). The OCQ is regarded as the most carefully

designed and developed instrument for measuring employee commitment (Kh Metle, 2003: 136). Hypothesis 2 addressed the relationship between organisational commitment and turnover intention. Fifteen questions for organisational commitment were summed and compared to the sum of the five of the turnover intention questions. SPSS was used to perform a correlation analysis. The Pearson product-moment correlation coefficient was used to measure 2 variables. It is widely used in the sciences as a measure of the strength of linear dependence between two variables. The Pearson product-moment correlation coefficient between organisational commitment and turnover intention was r = 0.572 with a p-value =  $0.065^*$ , indicating a positive but not significant correlation (see table 4.8). A value greater than 0 indicates a positive association, that is, as the value of one variable increases the value of the other variable decreases. As a result null hypothesis is rejected and the alternative hypothesis is accepted.

The PPMCC found in testing Hypothesis 2 was r = 0.572 which is consistent with coefficient r = 0.069 found by Rahman *et al.* (2008) and 0.590 found by Bartlett (2005). The value implies that a linear equation describes the relationship between *X* and *Y* perfectly, with all data points lying on a line for which *Y* increases as *X* increases. It can be concluded that the relationship between organisational commitment and turnover intention is consistent with findings of previous studies.

Figure 7: Correlation between organisational commitment and turnover intention



The above figure illustrates the relationship between organisational commitment and turnover intentions (r = 0.572 and p-value = 0.065\*). Based on the biographical information the following employees tend to be more committed to their organisation: those with long tenure service, older employees especially those between the age of 40-50 and employees that are married or that have more responsibilities.

# **4.3.3.3** Research question **3**: The question of how perceived alternative job opportunities affect turnover intention was tested using the following hypotheses

H<sub>0</sub> : There is no correlation between perceived alternative job opportunities and

turnover intention.

H<sub>3</sub> : There is a significant correlation between perceived alternative job opportunities and turnover intention.

Hypothesis 3 addressed the relationship between perceived alternative job opportunities and turnover intentions. The four questions were summed and compared to the five questions concerning turnover intention. SPSS was used to perform a correlation analysis. The Pearson product-moment correlation coefficient between perceived alternative employment opportunities and turnover intention was r = 0.953 with a p-value =  $0.081^*$ , indicating a positive but not significant correlation (see table 4.8). A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. As a result null hypothesis is rejected and the alternative hypothesis is accepted.

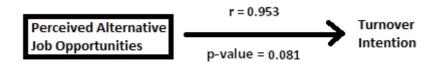
The PPMCC found in testing Hypothesis 3 was r = 0.953 which is higher than the coefficient 0.641 found by Rahman *et al.* (2008) and 0.490 found by Scott, Bishop and Chen (2003). The value implies that a linear equation describes the relationship between X and Y perfectly (r=1), with all data points lying on a line for which Y increases as X increases.

A study by Khatri *et al.* (2003) concluded that perceived alternative employment opportunities were a poor predictor of turnover intention which obtained a correlation coefficient of 0.410. Khatri *et al.* (2003) conducted the study in the food, beverage and marine industry of Singapore and the sample comprised of operatives and lower level workers who have limited job opportunities with similar working conditions and other incentives within the industry. Whereas the replicated study was conducted in the Telecommunications industry and the sample consisted of 38 % of respondents having a 3 year degree or post graduate degree. The correlation coefficient obtained was therefore r = 0.953. Previous research has shown that skilled employees are offered more job opportunities (Khatri *et al.*, 2003: 77). In an effort to attract the best talent competitors are offering better working conditions, higher salaries and other appealing incentives (Khatri *et al.*, 2003: 77). According to numerous studies up to the year 2000, approximately 150 000 South Africans were confirmed to have emigrated to countries such as the United States of America, Canada, Australia and New Zealand respectively (Cross, Seager, Hoosen & van Zyl, 2009: 4).

The findings are in line with previous research that concludes, when a skilled employee perceives the alternative job opportunity is high, his or her turnover intention increases and on the other hand,

when he perceives no better job opportunity, he might decide to stay with the organisation longer (Ing- San & Jyh-Huei, 2006: 116). This explains the stronger correlation between perceived alternative job opportunities and turnover intention among skilled employees in the industry.

Figure 8: Correlation between perceived alternative job opportunities and turnover intention



The above figure illustrates the relationship between organisational commitment and turnover intentions (r = 0.953 and p-value = 0.081\*). The results of this study are consistent with precious research on these topics when investigated separately (Brossoit, 2004; Corrigan, 2004; Daily & Bishop, 2003; Scott, Bishop, & Chen, 2003). Next, the regression analyses are examined by estimating the relationships among variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed.

#### 4.3.4 Regression Analysis

Multiple regressions analysis is used to test the impact of job satisfaction, organisational commitment and perceived alternative job opportunities which were correlated to turnover intention. The variable whose value is to be predicted is known as the dependent variable and those whose known values are used for prediction are known as independent (exploratory) variables (Ing-San & Jyh-Huei, 2006: 117).

Table 11 shows multiple regression results of the independent variables on turnover intention which was estimated. The overall model p-value is 0.284 at a significant level of 0.05:

Out of the three variables the highest estimated regression coefficient is perceived alternative job opportunity (PAJO) which is R<sup>2</sup> = 0.88., the result indicates that the regression line does not perfectly fit the data. PAJO obtained an F value of 23.912 and r = 0.953. It can be concluded that there is a positive but not significant correlation between JS and TI.

- The estimated regression coefficient of job satisfaction is R<sup>2</sup> = 0.741, the result indicates that the regression line does not perfectly fit the data. JS obtained an F = 19.991 and r = 0.812 it can be concluded that there is a positive but not significant correlation between JS and TI.
- The estimated regression coefficient of organisational commitment is R<sup>2</sup> = 0.601. The result indicates that the regression line does not perfectly fit the data. OC obtained an F = 12.804 and r = 0.572. It can be concluded that there is a positive but not significant correlation between JS and TI.

VARIABLES	(PPMCC) (r)	F	R <sup>2</sup>	p-value
1. Job Satisfaction	0.812	19.991	0.741	0.714*
2. Organisational Commitment	0.572	12.804	0.601	0.065*
3. Perceived Alternative Job Opportunities	0.953	23.912	0.884	0.081*
<i>F</i> Value	18.902			
Р	0.284			
R	0.779			
<i>R</i> -Square	0.718			
Adjusted R Square	0.698			
*0	ignificance level 0 0'	5		

 Table 11: Results of Regression Analysis

\*Significance level 0.05

 $R^2$  is most often seen as a number between 0 and 1.0, used to describe how well a regression line fits a set of data. An  $R^2$  near 1.0 indicates that a regression line fits the data well, while an  $R^2$  closer to 0 indicates a regression line does not fit the data very well. The adjusted *R-Square* is considered a better population estimate and is useful when comparing the *R* Square values between models with different number of independent variables (Ing-San & Jyh-Huei, 2006: 118). The results show that the three independent variables explained significantly the variance in employee retention (Adjusted  $R^2$ = 0.698, *F* = 18.90).

Next, the chapter is concluded by discussing the main findings.

#### **4.4 Conclusion**

The data was presented and the following can be concluded:

- The population comprised of employees from the participating company within the Telecommunications industry of South Africa, which was N = 401 (unit of analysis).
- The sample size consisted of 150 respondents, 29 questionnaires were not returned, thus reducing the number of returned questionnaires to 121 out of a population of 401.

- The demographic information showed that there are more male respondents than females. The majority of the respondents are coloured and within the age group of 31-40 years. The majority of respondents hold a 3 year degree/diploma and most of the respondents are married. 80.17 % of the respondents are permanent and more than 40% had tenure between 3-10 years. It is clear that based on the above the sample is fairly representative of both the population and the Telecommunications industry.
- The Cronbach's Alpha (significance level of \*0.05) obtained the reliability analysis for all constructs: employee commitment 0.874, turnover intention 0.846, job satisfaction 0.812 and perceived alternative job opportunities 0.896.
- Hypothesis 1 addressed the relationship between job satisfaction and turnover intention. The Pearson product-moment correlation coefficient between job satisfaction and turnover intention was r = 0.812 with a p-value of 0.714\*, indicating positive but not significant correlation.
- Hypothesis 2 addressed the relationship between organisational commitment and turnover intention. The Pearson product-moment correlation coefficient between organisational commitment and turnover intention was r = 0.572 with a p-value of 0.065\*, indicating positive but not significant correlation.
- Hypothesis 3 addressed the relationship between perceived alternative job opportunity and turnover intention. The Pearson product-moment correlation coefficient between perceived alternative employment opportunities and turnover intention was r = 0.953 with a p-value of 0.081\*, indicating positive but not significant correlation.

The original study revealed that organisational commitment, job satisfaction and perceived alternative job opportunities had a positive correlation with turnover intentions, which concludes that all variables are associated with turnover intention among IT Professionals in Pakistan (Rahman, et al., 2008: 45). The replicated study supports the findings of Rahman et al. (2008) that all constructs have a positive but not significant correlation with turnover intention. This is also consistent with the recent findings of Ing-San and Jyh-Huei (2006) that revealed a significant positive relationship between these two variables; whereas the other independent variables (job satisfaction and organisational commitment) obtained low support. In chapter 5 key findings are discussed with research implications, the chapter is concluded and recommendations are made for future research.

## **CHAPTER 5**

### **RESULTS AND DISCUSSIONS**

#### **5.1 Introduction**

The chapter discusses the key findings and research implications. References are made to previous literature with similar findings which are then summarised and discussed. This is followed by the conclusion and recommendations are made for future research.

Rahman *et al.* (2008) concentrated on three independent variables namely job satisfaction, organisational commitment and perceived alternative job opportunities that are thought to be associated with turnover intentions. The study builds on the original study, by making it relevant today and applying it to a large business within South Africa's Telecommunications industry. Therefore the main objective of this study is to analyse and verify whether job satisfaction, organisational commitment and perceived alternative job opportunities are correlated with turnover intention. The impact of turnover has received considerable attention by senior management, human resources professionals, and industrial psychologists over the past few years (Mathieu & Zajac, 1990: 86). It has been proven to be one of the most costly and seemingly intractable human resource challenges confronting the participating organisation.

#### **5.2 Discussion**

The researcher decided to replicate an existing study by Rahman, Naqvi and Ramay (2008) titled, "Measuring Turnover Intention: A Study of IT Professionals in Pakistan". The original study was applied to new situations in order to determine generalisability to different subjects, age groups, races, locations, cultures or any such variables. The replicated study carries the potential to empirically support the results obtained by Rahman et al. (2008), either by clarifying issues raised by the original study or extending the body of knowledge.

Their findings revealed that job satisfaction, organisational commitment and perceived alternative job opportunities had a positive correlation with turnover intentions and are associated with turnover intention among IT professionals in Pakistan (Rahman et al., 2008: 45). The original study focused on IT professionals that are resigning due to competitors offering better employment packages. Therefore, when the demand for IT professional's increases, turnover intention will increase and on the other hand, during an economic recession, employees will decide to stay due to

security. This explains the correlation between perception of alternative job opportunities and turnover intention among IT professionals. This is consistent with findings of Ing-San & Jyh-Huei (2006) that revealed a positive relationship between perceived alternative employment opportunities and turnover intention in public sector industry.

The replicated research was successful in supporting the findings of the original study by concluding that job satisfaction, organisational commitment, perceived alternative job opportunities have a positive but not significant correlation with turnover intention. Similar findings were found by: Clark & Oswalk (2006); Iverson et al. (2004); Johnston et al. (2004); Mathieu and Zajac, (2005); Tett & Meyer, (2003).

Even-though the study was unsuccessful in finding significant correlations between its variables the discussion will focus on how this research relates to previous studies that have done so. One of the factors that impacted on the significance of the findings was a fairly small sample size. If the sample size is small, the results look very different from the way they look if the sample size is large, e.g. if only 10 students are involved in the study, almost everyone in each group might have the same grades. If, 1000 students are involved in the study, grade distribution might be more diverse. The Convenience sampling method was used which is also known as grab, opportunity, and accidental sampling (Steel & Griffeth, 2007: 98). As the name describes, the researcher chooses subjects because of convenience. A study with a small sample size produces inconclusive results and could also be considered unethical (Steel & Griffeth, 2007: 99). This research used subjects that are easy to reach.

The major results are assessed and interpreted by referring to the hypotheses. The research questions are answered, and several studies are cited from chapter 2 for comparison and contrast with the results.

#### 5.2.1 The relationship between job satisfaction and turnover intention

The question of how job satisfaction affects turnover intention was tested using the following hypotheses:

H<sub>0</sub> : There is no significant correlation between job satisfaction and turnover intention.
 H<sub>1</sub> : There is a significant correlation between job satisfaction and turnover intention.

Hypothesis 1 addressed the relationship between job satisfaction and turnover intention. The Pearson product-moment correlation coefficient between job satisfaction and turnover intention was r = 0.812, F = 19.991,  $R^2 = 0.741$  and a p-value of  $0.714^*$ , indicating that the correlation is positive but not significant. Therefore the null hypothesis 1 is accepted and the alternative hypothesis is rejected.

Rahman et al. (2008) hypothesised that:

#### H<sub>1</sub> : Job satisfaction will be positively correlated with turnover intentions

The correlation coefficient between job satisfaction and turnover intention was r = 0.028 indicating a positive correlation that is not significant and the alternative hypotheses was accepted.

A correlation of +1 indicates a positive correlation, when variables move together in the same direction. Findings of the replicated study are consistent with the original study and support a study conducted by Steel and Ovalle (2007: 122) that established a moderate relationship between job satisfaction and turnover, indicating that less satisfied workers are more likely to quit their jobs. However a negative correlation was found between job satisfaction and intention to leave in Lebanese employees (El-Jardali & Fooks, 2007: 218). Their study's main objective was to examine the impact of satisfaction as a predictor variable on intention to leave which is used as a dependent variable in the study. Their findings revealed that the main cause of dissatisfaction and intention to leave was negatively associated with the hospital's compensation and incentives (extrinsic rewards).

According to the study of Khatri *et al.* (2003), conducted in Singapore, job satisfaction was a poor predictor of turnover intention. This study was conducted in the food, beverage and marine industry and the sample comprised operatives and lower level workers who have limited job opportunities with similar working conditions and other incentives within the industry, whereas the replicated study was conducted in the Telecommunications industry. However, similar findings were obtained.

Reasons for employee dissatisfaction have been well documented in the various literatures. Such reasons include lack of involvement in decision-making, poor relationship with management, low salaries and poor benefits, lack of job security, poor recognition and lack of flexibility in scheduling (Albaugh, 2003: 145). Employee dissatisfaction has also been linked to emotional exhaustion and burnout, which can affect patient outcomes (Aiken, Clarke, Sloane & Sochaski, 2007: 310). The researcher posits that high job satisfaction will not necessarily contribute to a low turnover rate, but

will inadvertently assist in maintaining a low turnover rate. A number of studies strongly support the view that turnover is inversely related to job satisfaction (Robbins *et al.*, 2003 & Khatri *et al.*, 2003).

#### 5.3.2 The relationship between organisational commitment and turnover intentions

The question of how organisational commitment affects turnover intention was tested using the following hypotheses:

H<sub>0</sub>: There is no correlation between organisational commitment and turnover intention.
 H<sub>2</sub>: There is a significant correlation between organisational commitment and turnover intention.

Hypothesis 2 addressed the relationship between organisational commitment and turnover intention. The Pearson product-moment correlation coefficient between organisational commitment and turnover intention was r = 0.572, F = 12.804,  $R^2 = 0.601$  and a p-value of 0.065\*, indicating that the correlation is positive but not significant. Thus concluding that the null hypothesis is accepted and the alternative hypothesis is rejected.

Rahman et al. (2008) hypothesised that:

H<sub>2</sub> : Organisational commitment is negatively correlated to turnover intention

The correlation coefficient between organisational commitment and turnover intentions r = 0.069, indicating a positive correlation that is not significant; thus the alternative hypotheses were accepted.

A correlation of +1 indicates that a positive correlation exists, in which variables move together in the same direction. Findings of the replicated study are consistent with the original study and support a study conducted by Steel & Griffeth (2007: 99) and Meyer *et al.* (2003: 102) who confirmed that a positive correlation exists between organisational commitment and the antecedent of withdrawal behaviours. The replicated study is in support of Meyer *et al.* (2003), who believe that intention to leave is an important antecedent to actual turnover.

A more recent study conducted by Hsu (2009: 56) showed a positive but not significant relationship between organisational commitment and turnover intention; most researchers have found a significantly negative relationship between affective organisational commitment and turnover

intention (Johnston *et al.*, 2007; Mathieu and Zajac, 2009; Tett & Meyer, 2003 and Pare & Tremblay, 2007: 38) which is different to the results obtained in the replicated study.

Moreover organisational commitment is found to be directly related to turnover intentions and one of the added benefits of the replicated study is coming up with suggestions that can be helpful in retention of employees and increasing commitment towards the participating organisation. Previous research has demonstrated that intention to leave is one of the strongest predictors and an immediate precursor of employee turnover (Steel & Griffeth, 2007: 98). This research found that the turnover process generally indicates the effect of attitudes on turnover behaviour which is mediated by turnover intention. Mobley *et al.* (2003: 76) conceptualised intentions as statements regarding the specific behaviours of interest and concluded that a significant correlation exists between organisational commitment and turnover intention. Intention to leave is therefore consistently related to turnover behaviour and explains more variance in turnover than other affective or emotional responses such as job satisfaction and organisational commitment.

Several studies have hypothesized that job satisfaction and organisational commitment are antecedents of turnover (Steel & Griffeth, 2007: 99 and Meyer *et al.*, 2003: 102). In a review by Kreitner and Kinicki (2007: 80), it was reported that most of the turnover research has looked at the role of affect on subsequent behaviour; job satisfaction and organisational commitment that have been the most frequently investigated links of turnover. It is clear that turnover and related variables such as turnover intention, intention to leave, and intention to search for alternative jobs have been the stimulating factor of organisational commitment research.

The underlying assumption of the commitment-turnover linkage is that the more committed an employee is, the less likely he or she is to leave the organisation (Porter & Steers, 2002: 71). In relation to this, it is logical to say that employees are less likely to have the intention to leave their organisation when they are emotionally attached to the organisation. The replicated study supports a considerable number of authors who have suggested organisational commitment as a main factor of intention to leave (Porter & Steers, 2002: 72) and Kreitner and Kinicki (2002: 80).

#### 5.3.3 The relationship between perceived alternative job opportunities and turnover intention

The question of how perceived alternative job opportunities affect turnover intention was tested using the following hypotheses:

H<sub>0</sub> : There is no correlation between perceived alternative job opportunities and

turnover intention.

 $H_3$  : There is a significant correlation between perceived alternative job opportunities and turnover intention.

Hypothesis 3 addressed the relationship between perceived alternative job opportunity and turnover intention. The Pearson product-moment correlation coefficient between perceived alternative employment opportunities and turnover intention was r = 0.953, F = 23.912,  $R^2 = 0.884$  and a p-value of 0.081\*, indicating that the correlation is positive but not significant. Thus the null hypothesis is accepted and the alternative hypothesis is rejected.

Rahman et al. (2008) hypothesised that:

H<sub>3</sub> : Perceived alternative job opportunities will be positively correlated with turnover intentions.

The correlation coefficient between perceived alternative job opportunity and turnover intention r = 0.513 indicating a positive correlation that is not significant; thus the alternative hypotheses were accepted.

A correlation of +1 indicates that a positive correlation exists, in which variables move together in the same direction. Findings of the replicated study are consistent with the original study and support a study conducted by Cheng & Brown, (2004) who found a positive but not significant correlation between perceived alternative job opportunities and turnover intention' When there is a labour shortage, employees have a choice of jobs. Skilled professionals can afford to switch jobs for a few extra rand. Many employees are believed to job-hop for no reason or even for fun. For example, an employee changes his or her job because some of his or her friends or relatives have done so.

Findings by Ing-San Hwang and Jyh-Huei Kuo (2006) confirmed a significant positive correlation between perceived alternative job opportunities and turnover intention in public sector. Thatcher, Stepnia and Boyle (2003) have conducted a similar research on turnover of information technology workers and found a strong positive correlation between perceived alternative job opportunities and turnover intention. The replicated study is in support of the above findings even though correlation was not significant. Next, the chapter is concluded by focussing on research objectives and its contribution to the book of knowledge.

#### 5.4 Conclusion

A conceptual approach was applied in understanding the interrelationships between job satisfaction, organisational commitment, perceived alternative job opportunities and their intent to leave. This study found the following correlations: job satisfaction and intention to leave (r = 0.812 and p-value = 0.714\*), organisational commitment and intention to leave (r = 0.572 and p-value = 0.065\*) and perceived alternative job opportunities and intention to leave (r = 0.953 and p-value = 0.081\*) with a significance level of 0.05\*. A correlation +1 indicate that the above variables move in the same direction. As a result the null hypotheses are accepted and the alternative hypotheses are rejected. Findings of this study demonstrated that all constructs have a positive but not significant correlation with turnover intention which is consistent with the original study conducted by Rahman et al. (2008). Despite of a few limitations which includes sampling method and small sample size, this study provides an insight to factors that affect turnover intentions in the participating company.

The results reveal that in order for the participating organisation to be competitive in the 21st century a firm grip needs to be taken on reducing turnover intentions. Even though the correlations between the variables were positive but not significant it does support previous studies that have found a significant correlation between job satisfaction, organisational commitment, perceived alternative job opportunity and their association with turnover intention. The replicated study will be presented to the participating organisation in an attempt to add value. The audience are managing executives and heads of departments, who are people that can make a difference within their respective divisions. When there is buy-in from top management, this will ensure that the need and urgency for retaining critical skills is filtered down to the lower levels. It will benefit the participating organisation that has a philosophy of wanting to continuously improve.

With a high unemployment and high turnover rate, many organisations are faced with high performing employee's deciding to leave for better opportunities elsewhere. The participating company invests significant amount of resources in its skilled professionals through training and other benefits i.e. paid sabbaticals, profit sharing and Management Bonus Schemes (MBS). Thus, it will be a loss to the organisation and industry if its valued employees leave. The costs incurred due to employees leaving the organisation are hiring costs, training costs and productivity loss. Pare and Tremblay (2007) do suggest that by understanding the relationship between commitment and intention to leave, the participating company will now be able to increase employee's level of job satisfaction, level of commitment and reduce turnover intention. This will result in a sustainable, competitive and productive organisation.

The correlation analysis results support previous researchers' observations which suggest that all three independent variables were correlated with turnover intention (Hsu, 2009: 56; Steel & Griffeth, 2007: 99 and Meyer et al., 2003: 102). Reasons for employee dissatisfaction include lack of involvement in decision-making, poor relationship with management, low salaries and poor benefits, lack of job security, poor recognition and lack of flexibility in scheduling (Albaugh, 2003: 145). Employees are less likely to leave when they are happy at the company even when economic conditions are favourable. These employees are found to be most influential in enhancing organisational effectiveness, i.e. employees are less likely to leave, or be absent from work and are more accepting of change. It is logical to say that employees are less likely to have the intention to leave their organisation when they are emotionally attached to the organisation.

Although the replicated findings were not significant, findings indicate that increasing work effort leads to higher intention to leave. Practitioners should therefore be mindful in ensuring a balance between increase in work effort (due to increased responsibilities) and subsequent work stress that may result from this. In this aspect, the participating organisation could pursue a reward strategy offering appropriate performance and effort-related incentives, employers could induce employees to input higher level of effort.

The replicated study will provide a greater understanding of the relationship between job satisfaction, organisational commitment, perceived alternative job opportunities and intention to leave in its effort to expand the body of knowledge. Findings of the replicated study would assist practitioners, managers and policy makers of organisations to formulate appropriate strategies particularly in the areas identified to be having an effect on turnover intention. Next, limitations of the study are discussed and recommendations are made for future research.

#### 5.5 Recommendation for future research

This section of the study consists of limitations of the study and how they impacted the study, strengths and weaknesses, and recommendations for future research.

#### 5.5.1 Limitations of the study

This study has several limitations:

Firstly, the small sample size raise concerns and can result in a lack of statistical representation; resources used being wasted and findings not accurately reflecting the target population. It is difficult to find significant relationships from findings with a small sample size, as statistical tests

normally require a larger sample size to ensure a representative distribution of the population and to be considered representative of groups of people to whom results will be generalized or transferred.

Secondly, the sampling method used was convenience sampling which can be used by almost anyone and has been around for generations (Dessler, 2003: 52). The issues with convenience sampling are generally negative and focus on the lack of representative respondents within the study. It is seen by various researchers as biased sampling (Dessler, 2003: 52). Also there is no guarantee that the study group will hold a mix of views and opinions, although this is perhaps more likely if you chose a group representative of the population. Therefore the findings from this sample are less than definitive. Controls can be put in place to make the sample a little fairer e.g. by using an equal number of each gender or other similar variables. This will not make the sample wholly representative but it will help by putting controls in place so that there are fewer variables in the sample.

Thirdly, data was collected from one single organisation within the Telecommunications industry therefore it limits the generalizability of the study. Findings can only be generalised when data is based on random samples of sufficient size. The researcher may only generalise findings when it has been replicated on many different population and subpopulations (Dessler, 2003: 53).

#### 5.5.2 Strengths and weaknesses of the study

Strengths:

- As a primary strength, this research was replicated by a study conducted by Rahman, Naqvi and Ramay (2008) which has a sound and solid theoretical base as presented in the literature review. The researcher applied the existing theory to new situation in order to determine generalizability to different subjects, age groups, race, locations, cultures or any such variables. The research findings are important and can contribute to the body of knowledge. The use of scientifically accepted methods of data collection and analysis further strengthens the study. The existing literature and policies relating to the topic support the topic for its relevance. The replicated study if carried out contains the potential to empirically support the results of the original study, either by clarifying issues raised by the original study or extending its generalizability.
- Great strength is providing data that is descriptive, for example capturing a "snapshot" of a
  participating organisation, but difficulties will be encountered when it comes to their
  interpretation.
- Testing hypotheses were constructed before the data was collected
- Precise, quantitative and numerical data was provided
- Data analysis is relatively less time consuming

• It is useful in studying large numbers of people

#### Weaknesses:

- The actual findings from the analysis are clearly presented and contradict existing studies.
- The small sample size: It is difficult to find significant relationships from findings with a small sample size. A large enough sample size should be surveyed. The larger the standard deviation the less accurate the results will be, since smaller sample sizes get increasingly further away from the entire population. A small sample size also affects the reliability of a survey's results because it leads to a higher variability, which may lead to bias. The most common case of bias is a result of non-response. Voluntary response bias is another disadvantage that comes with a small sample sizes e.g. if a survey gets posted on a website than only a small number of people have access to, it is likely that those who do participate will do so because they feel strongly about the topic.
- A short research period may lead to the findings being skewed towards a certain direction.
- The researcher categories that are used may not reflect local constituencies' understanding.
- The researcher might miss out on phenomena occurring because of the focus on theory or hypothesis testing rather than on theory or hypothesis generation.
- Knowledge produced might be too abstract and general for direct application to specific local situations, contexts and individuals.

#### 5.5.3 Future research

It is recommended to the management of the participating company to pursue a retention strategy highlighting commitment and job satisfaction to obtain a committed and satisfied workforce through application of suitable human resource policies, e.g. training, career planning and advancement opportunities, employee participation and compensation plan to reduce employee turnover intention (Rahman et al., 2008: 79). By building a company's business model around job satisfaction, organisational commitment and perceived alternative job opportunities, morale and commitment can be strengthened. When employees are satisfied they do not have the need to look for work elsewhere, which will lead to a successful and competitive organisation.

To further add value to the book of knowledge additional research can include variables such as organisational level and gender. For example, due to individual differences, certain employees may value commitment as an important predictor to turnover intention while the opportunity to participate in decision making become increasingly important when one moves up the career ladder (Abelson, 2003: 74).

An investigation into whether there are significant differences between male and female employees in the predictors for turnover intention can be conducted although they did not differ significantly in the level of education or work experience (Robinson, 2004: 114).

In Mitchell (2009: 46), a turnover study on a sample of senior managerial personnel, tenure was also found to be correlated with turnover intention. The cost of replacing a senior manager can be quite substantial especially for a long-tenured manager. Hence, future studies could also include this factor in the analysis model.

This research supports findings by various authors mentioned in the study and will add value within the participating company. As mentioned above various other dimensions can be explored in an effort to extend the current study and ultimately generalise the findings.

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# **ANNEXURE A**

## **EMPLOYEE RETENTION QUESTIONNAIRE**

#### July 2012

As part my Master's Degree course: Human Resource Management, I am required to complete a research assignment which forms part of my Dissertation.

I have chosen the subject of retention of skills/employees and request that you support my project by completing this questionnaire. Your responses will allow me to investigate the relationship between commitment and intent to leave the Company and/or the Electronics / Telecommunications industry.

Please be assured that the information you supply will be treated anonymously and in the strictest confidence. The information will be used solely for the purpose of this study.

**Section A** is general information and **Section B** and **C** cover the key variables examined by the study. In answering these questions, you are requested to follow the instruction given at the beginning of each set of questions.

Thank you for your co-operation and assistance in completing this questionnaire, which is highly appreciated.

Ronwan Arendolf

#### SECTION A

#### 1. BIOGRAPHICAL INFORMATION

Please provide us with the following demographic information:

	African	1	
		Coloured	2
(1) Please circle your race	Asian	3	
	White	4	
		Other (Specify)	5

(2) Please circle your age	21 years and younger	1	
	22 – 29 years	2	
	30 – 39 years	3	
	40 – 49 years	4	
		50 years and older	5

		Male	1
(3)	Please circle your gender	Female	2
		Other (Specify)	3

(4) Please circle your marital status	Single	1
	Married	2
	Divorced	3
		Widowed

(5) Please circle your highest	Up to Std. 9/ Gr 11	1	
	Std. 10/ Gr 12	2	
	3 Year Degree/Diploma	3	
		Post Graduate (Specify)	4
	Other (Specify)	5	

(C) Diagon single years ich statue	Permanent	1	
(6)	Please circle your job status	Contract	2

(7) Please circle your years of service	Less than 2 years	1
	3 – 10 years	2
	11 – 20 years	3
	21 – 30 years	4
	Over 31 years	5

(8) Please circle your department	Finance	1	
	Engineering	2	
	-	Operations	3
		Logistics	4

	Other (Specify)	5

(9)

Please write your job title

.....

#### SECTION B

# 2. ORGANISATIONAL COMMITMENT (OC), TURNOVER INTENTION (TI) and PERCEIVED ALTERNATIVE JOB OPPORTUNITIES (PAJO)

	ase rate the following statements on a scale of 1 to 5, where 1 = strongly agree and 5 = strongly agree. (Please make a cross in the relevant space):	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
1.	I would be very happy to spend the rest of my career with this company	1	2	3	4	5
2.	It would be too costly for me to leave my company	1	2	3	4	5
3.	I will look for a new job outside of this company within the next year	1	2	3	4	5
4.	If I quit my current job, the chances that I would be able to find another job is high	1	2	3	4	5
5.	If I can find a better job, I will leave this company	1	2	3	4	5
6.	I feel "part of the family" at my company	1	2	3	4	5
7.	I really feel as if the company's problems are my own	1	2	3	4	5
8.	This company has a great deal of personal meaning for me	1	2	3	4	5
9.	Given my age education, and the general economic condition, the chance of attaining a suitable position in another company is slim	1	2	3	4	5
10.	I will look for a new job outside of this company within the next six months	1	2	3	4	5
11.	Right now, staying with my company is a matter of necessity as much as desire	1	2	3	4	5
12.	I am afraid of what might happen if I quit my job without another one lined $\ up$	1	2	3	4	5
13.	Too much in my life would be disrupted if I decided I wanted to leave my company	1	2	3	4	5
14.	A turnover over culture exist within the company i.e. often employees will enter and leave	1	2	3	4	5
15.	One of the major reasons I continue to work for this organisation is that leaving would require considerable personal sacrifice-another company may not match the overall benefits I have.	1	2	3	4	5
16.	It would be very hard for me to leave my company, even if I wanted to	1	2	3	4	5
17.	I feel a strong sense of belonging to my company	1	2	3	4	5
18.	I think that I could not easily become as attached to another company as I am this one	1	2	3	4	5
19.	I often think about quitting my current job	1	2	3	4	5
20.	It would be very hard for me to leave my company right now, even if I wanted to	1	2	3	4	5

Please rate the following statements on a scale of 1 to 5, where 1 = strongly disagree and 5 = strongly agree. (Please make a cross in the relevant space):	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
21. There is no doubt that I am considering job hopping due to minor/major problems	1	2	3	4	5
22. I feel that I have too few options to consider when leaving this company	1	2	3	4	5
23. I enjoy discussing my company with people outside	1	2	3	4	5
24. I feel emotionally attached to this company	1	2	3	4	5

#### SECTION C:

#### 3. JOB SATISFACTION (JS)

Please rate the following statements on a scale of 1 to 5, where 1 = very dissatisfied and 5 = very satisfied. (Please make a cross in the relevant space):		Very dissatisfied	Dissatisfied	Neither satisfied or dissatisfied	Satisfied	Very satisfied
1.	Opportunities for personal growth and development in my job	1	2	3	4	5
2.	The nature of my job	1	2	3	4	5
3.	The feeling of worthwhile accomplishment I get for doing my job	1	2	3	4	5
4.	The amount of challenge in my job	1	2	3	4	5
5.	The amount of job security I have	1	2	3	4	5
6.	Reward and recognition when doing a good job	1	2	3	4	5
7.	Communications within company	1	2	3	4	5
8.	How secure things look for me in the future	1	2	3	4	5
9.	The amount of pay or fringe benefits I receive	1	2	3	4	5
10.	The people I talk to and work with	1	2	3	4	5
11.	The degree of respect and fair treatment I receive from my boss	1	2	3	4	5
12.	The amount of support and guidance I receive from my supervisor	1	2	3	4	5
13.	My relationship with my supervisor	1	2	3	4	5
Please rate the following statements on a scale of 1 to 5, where 1 = very dissatisfied and 5 = very satisfied. (Please make a cross in the relevant space):		Very dissatisfied	Dissatisfied	Neither satisfied or dissatisfied	Satisfied	Very satisfied
14. The safety of my work environment		1	2	3	4	5

15. Opportunities for promotion	1	2	3	4	5
16. Salary increases	1	2	3	4	5
17. Benefits offered by the company	1	2	3	4	5
18. Opportunities to learn new things from my work	1	2	3	4	5

(1) In your view, what are the two most important issues that need to be addressed in your company (e.g. retention, etc.)?

(2) If you feel that there was anything that should have been covered, which was not, please specify?

Thank you for completing the questionnaire