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Turnover Destination as a Factor in the Relationship between Employee Performance and Turnover in South Africa

Ilona Poonan

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in fulfilment of the requirements for the degree of Master of Commerce.

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ABSTRACT

This dissertation provides further insight into the well-researched question of whether and how job performance has an impact on employee turnover. Moreover, this study takes this relationship one step further by investigating the less researched area of turnover destinations, specifically whether turnover destination may impact the performance - turnover relationship. All of these relationships are studied in the South African business context, thereby providing an understanding of these constructs from a perspective that has been less researched in the literature.

The research question that this study aims to answer is 'does employee turnover to alternate destinations differ by performance'. The initial hypotheses proposed compare the relationship between job performance and employee turnover with the subsequent hypotheses looking at the impact of performance on different external turnover destinations. The destinations considered in this study concern moving to the same job in a different organisation, a different job in a different organisation and finally, leaving the workforce.

The study follows a quantitative paradigm and uses a combination of archival records and a survey method to gather the data. A convenience sampling method was adopted and four organisations, all located in the Johannesburg region, were selected to participate in the study, based on accessibility to information. The final sample, which included stayers that were purposefully matched to leavers based on a number of criteria, consisted of 298 respondents. All respondents were white collar workers and professionals.

Various statistical techniques were employed to investigate the research question and the hypotheses that were put forward. Correlations, comparisons of means tests (ANOVA's and t-tests) and multiple logistic regressions were the main statistical techniques that were adopted in this study.

The results produced are in line with the findings of many other studies and show firstly that job performance does impact employee turnover such that higher performance levels are associated with lower levels of turnover. Furthermore, evidence was found to suggest that low performance made the destination choice of leaving the workforce or moving to a different job in a different organisation more likely. No significant results were found in respect of the relationship between job performance and the destination category of moving to the same job in a different organisation.

The implications of such findings has an impact on the way in which businesses today manage and retain the high performing individuals in their organisations. With high performers being more likely to leave an organisation, managers need to increase the effort that they make to retain key employees that are pivotal in an organisation's success. Furthermore, organisations need to implement initiatives that aim to manage the performance of poor performing individuals that are not contributing at an acceptable level.

Key words: Job performance, in-role behaviour, organisational citizenship behaviours, employee turnover, voluntary turnover, involuntary turnover, functional turnover, dysfunctional turnover, turnover destinations, South Africa.

DECLARATION

I hereby declare that this dissertation is my own unaided work except where due recognition has been given. It is submitted for the degree of Master in Management by Research in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree at this or any other university.

Ilona Poonan

Johannesburg

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CHAPTER 1: INTRODUCTION

Employee turnover is a topic that has dominated the literature for many years in the past and has continued to attract worldwide attention moving into the 21st century (Hom, 2011 as cited in Hom, Lee, Mitchell & Griffeth, 2012), with much of the interest being in the fields of management, psychology and sociology (Hancock, Allen, Bosco, McDaniel & Pierce, 2013). Early research on the subject focussed largely on the negative impact that employee turnover can have on organisational performance and thus highlighted the need to prevent turnover where possible (Glebbeek & Bax, 2004). Recent thoughts, however, have begun to dismiss this view, and it is now widely acknowledged that employee turnover need not always be a negative occurrence for organisations (Dalton & Todor, 1979; Dalton, Krackhardt, & Porter, 1981; Dalton, Todor, & Krackhardt, 1982; Muchinsky & Morrow, 1980; Staw, 1980; Staw & Oldham, 1978, as cited in Abelson & Baysinger, 1984).

Abelson and Baysinger (1984) differentiate between functional and dysfunctional turnover according to the impact that the turnover has on the organisation. Boudreau and Berger (1985, as cited in Williams & Livingstone, 1994) argue that in order to assess the impact that employee turnover has on a business, consideration needs to be given to the performance level of the employee that is exiting the business. It is this argument that forms the foundation for this research report which aims to look at the relationship between job performance and employee turnover and subsequent turnover destinations.

The following sections will give a high level overview of the literature relevant to the performance - turnover relationship before discussing the subject of turnover destinations and providing an overview of the research design. Further chapters expand on each of these topics.

1.1. Job Performance and Employee Turnover

The March and Simon (1958) employee turnover model is one that has been widely studied and is the basis for many other turnover models that have since been proposed. March and Simon (1958), the seminal theorists in the field of employee turnover, suggest that employee turnover is a function of two factors, namely the ease of movement and the desirability of movement. An example of how this model has been suggested to impact the performance - turnover relationship is highlighted in an argument put forward by Schwab (1991), who argues that high performers are more likely to be employable in the external market and thus, according to the March and Simon (1958) model, should have a higher ease of movement. Based on this, it is suggested that better performers are more likely to leave an organisation than their poor performing counterparts, thus resulting in a positive relationship between the two constructs. In contrast, there is also evidence to suggest that the stress of a tough performance review may increase the desirability of movement for a poor performer. Poor performing individuals may voluntarily chose to leave an organisation to avoid a stressful situation in the workplace (Jackofsky, 1984), thus supporting the theory that low performers are more prone to leaving an organisation than high performers.

Although the above relationships are in complete contrast to each other, evidence has been found in support of both these arguments. Furthermore, there exists a group of theorists who believe that the relationship between job performance and employee turnover is, in fact, a combination of the contrasting positive and negative relationships discussed above. They believe that the relationship between the constructs is curvilinear in nature and if drawn in a graph format, would make a u-shaped curve (Jackofsky, 1984).

The positive, negative and curvilinear relationship between performance and turnover will be discussed at great length in chapter 8, however, the purpose of mentioning these relationships here is to highlight that, although the nature and direction of the relationship between job performance

and employee turnover is unclear (Jackofsky, 1984), studies have shown that job performance does indeed often have an impact on employee turnover. This first portion of this research paper aims to contribute to the literature relating to the performance - turnover relationship. More specifically, it has been found that limited research has been conducted on this relationship in the South African context. Therefore, the study further aims to contribute to the body of knowledge by investigating the performance - turnover relationship in the business environment in the South African context.

The second component of this research report seeks to investigate the construct of turnover destinations which is discussed in the section below.

1.2. Turnover Destinations

Studies relating to employee turnover have often been criticised for being narrowly focussed. Research in the area of employee turnover often focuses on the antecedents and consequences of this phenomenon, but fails to look at the destination choice that an individual makes when they decide to exit an organisation (Mobley, 1982; Bluedorn, 1982; Price & Mueller, 1986 as cited in Kirschenbaum & Weisberg, 2002). The three broad categories of destinations that an employee may choose to move to include moving within the current organisation, moving out of the current organisation to a new organisation or leaving the workforce (Kirschenbaum & Weisberg, 2002), however, these are often not considered as part of the turnover process. The process of employee turnover is thus often studied in isolation with little consideration given to the impact that a destination choice may have on a turnover decision. This study however seeks to look at the employee turnover process from a more holistic perspective and aims to take the performance - turnover relationship one step further by examining the influence of turnover destinations on the relationship between performance and turnover. Once again, the study seeks to provide insight into the subject of turnover destinations in a South African context.

It is important to highlight here that turnover destinations is a relatively new concept and whilst there does exist some research on the topic, the literature is somewhat limited. It is believed that investigating this subject, particularly in a South African context, will provide further insight into the concept from a perspective which has not yet been examined.

Before the literature pertinent in to this study is discussed in detail, it is vital that the objectives of the study be outlined and the research question be posed. The following section seeks to highlight the main purpose of the study before delving into the detail of the literature review.

1.3. Objectives of the Study

A universal problem for organisations across the globe is the retention of talented employees in the face of high employee turnover rates. Businesses have become increasingly competitive with highly skilled employees being the main differentiating factor for most companies (Samuel & Chipunza, 2009). South African businesses today have a unique challenge in that aside from the race to retain talented employees, there is also a large skills shortage in the country. Local organisations are forced to compete with international organisations for talent and it is thus evident that all organisations, South African or international, need to hold onto their high performers if they wish to remain successful in the future.

Because employee performance is so pivotal to an organisation's success, this study seeks to determine the nature of the relationship between performance and turnover. Moreover, this study aims to explore the relatively new area of turnover destinations in the South African context.

Based on this, the research question for this study is as follows:

Does employee turnover to alternate destinations differ by performance?

1.4. Research Design Overview

This study uses a combination of a multi-source survey method and secondary archival data and as such, follows a quantitative research paradigm. A convenience sampling method was adopted. The sample consisted of 300 individuals in total; 150 employees that had left the organisation as well as 150 matched employees who remained employed by the organisation at the time that the study was conducted. Due to time constraints as well as constraints in accessing confidential information, only four organisations were used to gather the sample. Once the data was gathered, captured, cleaned and coded, several statistical tests were then employed to test the hypotheses in the study.

1.5. Chapter Outline

Below is a chapter outline for the remainder of the research paper. It will provide a brief overview of each proceeding chapter which will assist in unpacking and investigating the research question as highlighted above:

Chapter 2 provides an introduction into the concept of job performance which is the first variable relevant to this study and reviews the definitions of job performance that have emerged through the literature over time. It also distinguishes between the concepts of performance, effectiveness and productivity and examines the determinants of job performance. It will review the various theories in an attempt to unpack the concept of job performance in relation to this study. This chapter then goes on investigates the components of job performance with specific focus on the models that have been widely cited in the literature; namely the Borman and Motowidlo (1982) and Campbell, McCloy, Oppler and Sager (1993) job performance models.

Chapter 3 continues onto the second variable of relevance in this study: employee turnover. This chapter aims to define employee turnover and discuss the ways in which employee turnover has been measured in other similar research papers. It explores the impact that employee turnover can have on an organisation and focuses specifically on functional and dysfunctional turnover. It then goes

on to examine the explanatory theories of employee turnover which seek to establish the antecedents of employee turnover.

Chapter 4 ties together the constructs of job performance and employee turnover and investigates the various moderators that have been suggested to impact the performance - turnover relationship.

Chapter 5 discusses the last main construct in this paper; turnover destinations. This chapter reviews the relevant literature pertaining to this construct and concludes the literature review.

Chapter 6 summarises information regarding the participants and the research design and explains the methods that were adopted in this study.

Chapter 7 discusses the results in terms of each hypothesis that was proposed subsequent to the statistical analysis that was conducted.

Chapter 8 discusses the findings and implications of the research in terms of the research question and hypotheses that were posed.

Chapter 9 is the final chapter of this research report and discusses the limitations of the project, puts forward various recommendations for future studies and then concludes the report.

CHAPTER 2: JOB PERFORMANCE

Whilst the purpose of this study is to investigate the relationship between job performance, employee turnover and subsequent turnover destinations, it is important to understand the constructs of performance, turnover and turnover destinations each in their own right before discussing the interaction of the variables. This section will begin by providing an introduction to job performance before beginning an in-depth review of the literature pertaining to this concept specifically.

According to Kahya (2009), one of the most important variables in the fields of industrial and organisational psychology is that of job performance. An individual's job performance is indicative of the central contribution that one makes to a business and it is ultimately the reason that a person is employed (Schat & Frone, 2011). It is widely recognised that job performance can have a great impact on organisational effectiveness and success (MacKenzie, Podsakoff & Ahearne, 1998) and this is the predominant reason that the construct is so widely researched. With more and more businesses acknowledging that top performing individuals are fast becoming their main source in obtaining a competitive advantage (eg: Pfeffer, 2005 as cited in Niederman, Sumner, Maertz & Carl, 2007), companies are realising the necessity in having an in-depth understanding of the performance profile of their organisation in order to identify and retain their talent.

Although the above highlights the importance of an individual's job performance to the organisation, job performance has been shown to be just as important to an individual as it is to the organisation to which they belong. Whilst the organisation's concern is organisational effectiveness and success (MacKenzie et al., 1998), an individual's concern is that of rewards and job satisfaction. Lawler and Porter (1967) proposed a model whereby job performance was linked to both intrinsic and extrinsic rewards which ultimately impacted the job satisfaction levels of the individual. Many studies have also shown a link between job satisfaction and employee turnover whereby as satisfaction increases, the

likelihood of employee turnover decreases (Futrell & Parasuraman, 1984). Lawler and Porter's (1967) model will be discussed in greater detail in Chapter 8, however the indirect link between job performance and employee turnover can already been seen. Job performance has also been found to impact many other variables and research into this construct has been extensive over the years. What has been established is that job performance is complicated and multifaceted in nature (La Grange & Roodt, 2001). Because of this, many definitions of this concept have arisen through the years and the succeeding section will focus on the literature surrounding the definition of job performance.

2.1 Defining Job Performance

The meaning of job performance has been transformed substantially in recent years (Griffin, Neal & Parker, 2007). According to Illgen and Pulakos (1999, as cited in Griffin et al., 2007), the dynamic nature of work and organisations has posed some challenges for the initial views of individual job performance. Whereas originally, research concentrated on the fixed tasks inherent in a job, the attention has now moved to work roles in the ever changing work environment (Illgen & Hoolenbeck, 1991 as cited in Griffin et al., 2007).

The concept of job performance originally referred to 'an employee's accomplishment of assigned tasks' (Cascio, 1986:291). Performance was then evaluated according to the ability of an employee to complete those tasks that were assigned as part of the job role (Griffin et al., 2007). Whilst this definition is indicative of early research in the performance arena, it was then proposed that in order to understand job performance, one needs to understand the objectives of the organisation to which an employee of the organisation should contribute (Campbell, McCloy, Oppler & Sager, 1993). Cascio (2006, as cited in Tsai, Cheng & Chang, 2010) proposed that organisations must specifically define an individual's job performance in terms of what is required of that individual in order for the organisation to reach its goals. Managers must thus be responsible for setting the performance goals in line with the company's strategy and subsequently monitoring and evaluating an individual's

progress in achieving these goals. Taking into consideration the organisation goals, Campbell, McHenry and Wise (1990:314) defined performance as 'observable things people do (i.e., behaviors) that are relevant for the goals of the organisation'. There has been some debate as to whether performance should be defined by outputs or behaviour. Campbell, McCloy, Oppler and Sager (1993) suggest that performance and behaviour are one in the same and that it is something that an individual can actually do. It was further argued that performance is an actual action and not the result that an action produces (Campbell et al., 1990). Hackett (2002) explained that performance results depict the method by which an individual's behaviour eithers assists or hinders the organisation in accomplishing its goals and that results are not a true reflection of performance as they can be affected by positive or negative forces which are independent of behaviour.

Whilst it has been acknowledged that the distinction between the results and behaviours does pose some challenges, Campbell et al (1993:40) argue that 'solutions, statements or answers' that are completely controlled by an individual and are as a result of underlying thought and not external factors can be considered as actions and thus included in the definition of performance. However in general, emphasis is usually placed on individual behaviour instead of performance results (Hackett, 2002).

In defining job performance, Campbell et al (1993) also highlight the necessity to distinguish between the concepts of performance, effectiveness and productivity which are often confused. Each of these concepts will be discussed in the section below.

2.2 Performance, Effectiveness and Productivity

According to Tangen (2005), performance and productivity are incorrectly considered to be interchangeable and are often confused with other terms such as efficiency, effectiveness and profitability (Sink & Tuttle, 1989; Chew, 1988; Sumanth, 1994; Koss & Lewis, 1993; Thomas & Baron,

1994; Jackson & Petersson, 1999 as cited in Tangen, 2005). Job performance has been defined and unpacked, however, the concepts of effectiveness and productivity require further discussion.

Campbell et al (1993:41) define effectiveness as 'the evaluation of the results of performance'. They define productivity on the other hand, as the 'ratio of effectiveness (output) to the cost of achieving that level of effectiveness' (Campbell et al., 1993:41). In line with this definition of productivity, Sumanth (1983 as cited in Tangen, 2005) suggest a definition of productivity specific to the industrial engineering field which assists in the understanding of the term. It was suggested that productivity in this case is 'the relation of output (i.e. produced goods) to input (i.e. consumed resources) in the manufacturing transformation process' (Sumanth, 1994 as cited in Tangen, 2005: 35).

It is vital to have a solid understanding of the term job performance and what is encompassed by this term in order to understand the scope of this study. Also of great importance is the distinction between performance components, performance determinants and the antecedents of performance determinants (Campbell et al., 1993).

2.3. Determinants of Job Performance

Whilst there has been much research conducted in the field of job performance, the determinants of job performance remain somewhat vague (Waldman & Spangler, 1989). There are several reasons that prompt researchers to continue to look at the determinants of job performance. The first is that the literature on the determinants of job performance has been criticised for being narrowly focused and considering too few antecedent variables in the studies (Blumberg & Pringle, 1982; Griffin, Welsh & Moorhead, 1981; Pierce & Dunham, 1976; Staw 1977 as cited in Waldman & Spangler, 1989). It has been argued that a narrowly defined group of variables can only justify a small amount of discrepancy regarding performance. What is more probable is that performance is a function of individual, group and organisational variables (Griffin, Welsh & Moorhead, 1981). Blumberg and Pringle (1982) explain

that whilst it is widely accepted that there are numerous variables that impact on task performance, only a few of these variables have been focused on in the research.

Another reason to consider the determinants of job performance is that there are a new set of theories that are recognised by many researchers in the field. Evidence supporting the latent role of motives in work effort followed by performance has re-energised the need to reassess the determinants of job performance (Waldman & Spangler, 1989). Both practitioners and researchers have sought to establish a relationship that illustrates that motivation results in performance and many theories have emerged (Blumberg & Pringle, 1982). Whilst several of these theories have produced evidence to support the theory that motivation can predict performance, they have been strongly criticised. Miner (1980 as cited in Blumberg & Pringle, 1982) suggests that the models proposed only apply to certain individuals in certain situations. This has sparked renewed interest in researching the determinants of job performance.

Lastly, the need for a model that includes both direct and indirect influences on job performance has become more evident. Considering both direct and indirect influences allows for a more comprehensive causal model of job performance (Waldman & Spangler, 1989).

One of the first theories of job performance was proposed by Vroom (1964 as cited in Waldman & Spangler, 1989) who suggested that the determinants of job performance could be represented by the following function:

$$\text{Performance} = f\ (\text{ability}\ x\ \text{motivation})$$

The above function has various implications. Firstly, it is based on the belief that an individual will not act if the actions are not aligned with the relevant objectives. Furthermore, it is evident that even if

an objective exists, without ability, the desired result cannot be reached. Lastly, the above formula implies that the relationship between motivation and performance increases as the level of ability increases (Ganzach, Saporta & Weber, 2000).

The results of studies that have tested the above formulation have been inconsistent (Locke, Mento & Katcher, 1978). Locke (1965) conducted four studies in an attempt to investigate the interactions between ability and motivation in performance. The results produced in his studies did not provide strong support for the formulation proposed by Vroom (1964). Locke (1965) suggested that in order to properly investigate this formulation, subsequent research should adjust the total performance time as well as the nature of the motivational settings employed in the study. Despite this, several studies have produced results that are in support of the interaction mentioned above. Lawler (1966) conducted a study with a sample of three organisations which included all divisions of the state government. The results of the study were in support of the multiplicative relationship between ability and motivation. Similarly, as highlighted by Ganzach et al (2000), the studies conducted by French (1958) and Locke, Mento and Katcher (1978) produced results that were also in support of the ability and motivation interaction.

In addition to the mixed findings resulting from various studies that have tested the relationship proposed by Vroom (1964), there has been some debate as to whether ability and motivation do, in fact, interact to produce performance (Locke et al., 1978). Although the abovementioned formulation was largely adopted without any major changes, it has been criticized for being unable to account for additional variance in performance (Campbell & Pritchard, 1976 as cited in Blumberg & Pringle, 1982). As explained by Blumberg and Pringle (1982), if the formulation of the determinants of performance is correct as stated above, then any factor which impacts job performance should fit under the category of either ability or motivation. They argued further that in fact, there are some variables that fit under neither of these categories and that the formulation was incapable of considering

environmental factors which were uncontrollable by the individual. They were also of the opinion that the function did not allow for factors such as leadership, attitudes and satisfaction to be included.

Blumberg and Pringle (1982) proposed a solution to improve the above formulation. They suggested that the ability factor in the formula should be replaced with a broader term; capacity to perform. 'Capacity refers to the physiological and cognitive capabilities that enable an individual to perform a task effectively' (Blumberg & Pringle, 1982:563). In addition to ability, capacity is indicative of 'an individual's knowledge, skills, intelligence, age, state of health, level of education, endurance, stamina, energy level, motor skills and similar variables' (Blumberg & Pringle, 1982:563). Furthermore, Blumberg and Pringle (1982) suggested that the motivation factor should be broadened to the term willingness to perform. The 'psychological and emotional characteristics that influence the degree to which an individual is willing to perform' reflects the willingness dimension (Blumberg & Pringle, 1982:563). In addition to motivation, willingness is indicative of the effect of 'job satisfaction, personality, attitudes and norms, values, status, anxiety, task characteristics, job involvement, perceived role expectations, self-image, need states and closely related concepts' on behaviour (Blumberg & Pringle, 1982:563).

Blumberg and Pringle (1982) further suggested including in the determinants of performance, a factor termed the opportunity to perform. As highlighted by Agbejule and Saarikoski (2006), one of the main components missing from job performance determinants models is that of opportunity. Many researchers have acknowledged the importance of environmental influences on job performance (eg., Blumberg & Pringle 1982; Landy & Farr 1980; Lewin 1961; Wherry & Bartlett, 1982 as cited in Kane, 1993). In addition, it has been widely accepted that situational factors have some impact on performance (e.g., Bernardin & Beatty 1984; Campbell, Dunnette, Lawler, & Weick 1970; Campbell & Pritchard 1976; Cummings & Schwab 1973; Dachler & Mobley 1973; Forehand, 1968; Schneider, 1978; Terborg, 1977 as cited in Kane, 1993). Blumberg and Pringle (1982) highlight that evidence suggests

that there are certain environmental factors which are beyond the control of the employee; however these factors may still have an impact on the performance of an individual. In order to include such environmental factors in the determinants of performance, it was suggested that an opportunity factor is included as a determinant of performance (Blumberg & Pringle, 1982). Opportunity variables include factors such as the availability of resources such as tools and information, working conditions, leader behaviour and rules and procedures (1989:31). Blumberg and Pringle (1982) highlight that the opportunity term should encompass variables that extend further than the individual's immediate task environment. In light of the above, they suggested the following interactive model of performance:

$$\text{Performance} = f(\text{Capacity } x \text{ Willingness } x \text{ Opportunity})$$

This formulation is best depicted by the following illustration:

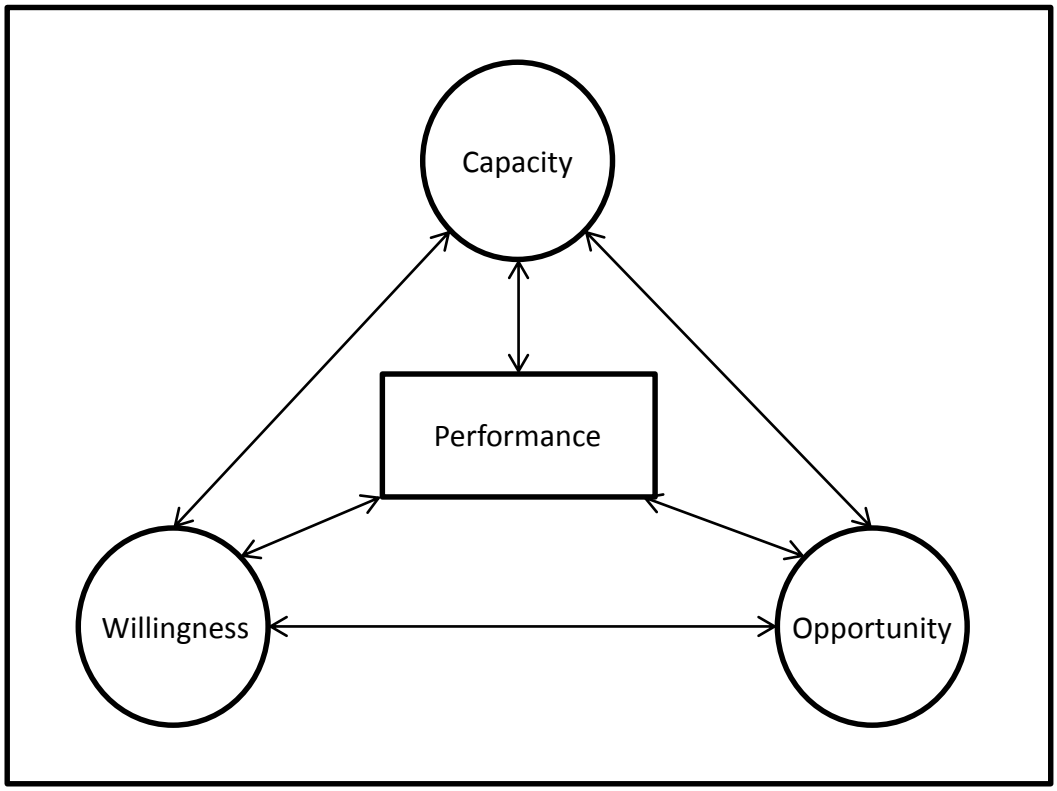

Figure 1: Diagram Illustrating the Interactions between the Determinants of Performance (Blumberg & Pringle, 1982)

The above formulation makes two basic assumptions. The first is that all three determinants must be present at some level in order for performance to take place. This implies that should the value of one element be 0, performance will not transpire. Secondly, the equation assumes that the lower the values of any of the determinants, the lower the level of performance (Blumberg & Pringle, 1982).

The model proposed by Blumberg and Pringle (1982) has been criticized in that it assumes that any test of the model has taken into consideration all three elements of capacity, willingness and opportunity. In practice however, this may prove to be quite challenging and hence this exact version of the model will be difficult to test. Despite this criticism, the model does provide insight into the determinants of job performance and thus adds value to the literature surrounding job performance.

Also of importance in understanding the concept of job performance are the components of job performance that have been established in the literature. The following section unpacks the various models that have been proposed by researchers in the field of job performance.

2.4. The Components of Job Performance

There has been limited research that supports any of the theoretical models that aim to highlight the components of employee performance that have emerged in the literature. However, in spite of this, what has been agreed is that the job performance domain is multidimensional in nature (Hattrup, O Connell & Wingate, 1998) and as such, should not be studied as a simple or unitary construct (Murphy & Shiarella, 1997). Murphy and Shiarella (1997) suggest that those models that include performance as a singular construct without considering the different components of performance produce results that are misleading. Because of this, many researchers have based their theories of performance on the idea of a multidimensional performance construct. A brief explanation of the prominent theories can be seen below, beginning with Campbell et al (1993) model.

2.4.1. Campbell, McCloy, Oppler and Sager's Theory of Job Performance

Campbell et al (1993) endeavoured to describe the multidimensional performance domain by proposing eight primary components of job performance that were suggested to encompass the structure of all jobs which were listed in a US Dictionary of Occupational Titles which was released by the US Department of Labour (Hattrup et al., 1998). Each one of the eight factors in the theory is summarised briefly below:

- *Job specific task proficiency*: This factor represents the degree to which an employee can execute core functional or technical tasks that are pivotal to the job. It is further described as the job-specific behaviours that differentiate the functional content of one job from another.
- *Non-job-specific task proficiency:* This factor represents those behaviours that are not specific to any occupation; however, individuals in practically any organisation would be required to execute these behaviours.
- *Written and oral communication task proficiency*: Most jobs require that an employee is able to communicate both in writing and verbally, irrelevant of whether the content is correct. According to Maes, Weldy and Icenogle (1997) one of the most important competencies for young new employees to possess is that of good oral communication skills. This argument is in support of including this component as one of the main components of performance.
- *Demonstrating effort:* This component of performance was intended to reflect the level of commitment of the individual to all job tasks and the level at which their tasks were completed.
- *Maintaining discipline:* The discipline component is indicative of the individual's conduct in the workplace. It is considered to be the degree to which negative and destructive activities are avoided in the workplace.
- *Facilitating peer and team performance:* This component represents the degree to which an individual supports the peers in the team, assists with difficulties in the job and facilitates group dynamics by

ensuring that the members of the group remain focussed on their objectives and ensuring that all members of the group are participative. What is important to highlight with regards to this component is that it will have little or no impact on performance for those individuals that do not work in a team.

- *Supervision/Leadership:* The difference between this component and the one discussed above is often confused. The distinguishing factor between the two components is that one deals with peer performance supervision and the other with subordinate performance supervision. It is suggested that the determinants of each of these are substantially different and thus warrant different components in the performance domain. The supervision/leadership component encompasses all those actions that impact on subordinates' performance, either through personal interaction or through guidance.
- *Management/Administration:* The last component of performance suggested in this theory encompasses all those activities involved in the management of the team or organisation. They include tasks such as communicating the goals for the team or organisation, mobilising the resources to achieve these goals, monitoring the progress in activities and assisting in developing a solution to overcome these problems. It also includes acting as a representative of the team or organisation in dealing with external parties.

Whilst the above is intended to highlight the eight most important factors in performance, it has been acknowledged that not all the components mentioned above will be relevant for all occupations (Campbell et al., 1993). What has been suggested however is that the eight components described in the model, or some subset of these eight components can describe the most important underlying variables for all job types. Campbell et al (1993) further argue that whilst not all of the eight components are relevant for all jobs, three of the components – core task proficiency, demonstrated effort and maintenance of personal discipline – are indeed relevant for all jobs.

Research on the above categorisation has been somewhat limited (Campbell et al., 1993). As explained by Tubre, Arthur and Bennett (2006), although Campbell's model is extremely comprehensive in

accounting for the underlying structure of performance, additional testing of the model may assist in clarifying the nature of job performance.

2.4.2. The Borman and Motowidlo Theory of Job Performance

Further to the research conducted by Campbell et al (1993), it was suggested that employees often contribute to organisation effectiveness by engaging in activities that are out of the scope of their jobs (Borman & Motowidlo, 1993). In line with some of the components suggested in the Campbell theory, Borman and Motowidlo (1982) proposed that the job performance domain could be summarised into two broad categories which are assumed to be present in every occupation (Hattrup et al., 1998). Task performance and contextual performance are the two central factors in the Borman and Motowidlo theory and will be discussed below:

- *Task Performance:* Task performance refers to those activities that formally constitute part of an individual's job responsibilities (Conway, 1996). As explained by Conway (1996) the term task performance encompasses two types of activities. The first set of activities that contribute to a part of the definition of task performance are those activities that directly contribute to the technical core of the business (Borman & Motowidlo, 1993). The second category of activities that contribute to task performance are those activities that are indirectly linked to the technical core in that they provide support services to the technical core and by doing this, allows the core to function effectively and efficiently (Borman & Motowidlo, 1993). An example of task performance in a sales job would be extensive knowledge of the product being sold, completing a sale, and organisation and time management (Borman & Motowidlo, 1997).

- *Contextual Performance:* In contrast to task activities, contextual activities are those types of activities that support and sustain the technical core (Motowildo, Borman & Schmit, 1997). Although they do not contribute directly to the technical core, contextual activities 'maintain the broader

organizational, social, and psychological environment in which the technical core must function' (Motowildo et al., 1997:75). Contextual performance in the Borman and Motowidlo theory of performance is consistent with the components of demonstrating effort, preserving personal discipline and facilitating team and peer performance in Campbell's model as discussed earlier (Hattrup et al., 1998). Borman and Motowidlo (1993) described five categories of contextual activities; offering to assist with activities that do not formally constitute part of the job, constantly illustrating enthusiasm when completing tasks, assisting and working together with others, following the rules and procedures of the organisation and endorsing, supporting and protecting organisation objectives.

The classification of contextual performance as described above was based primarily on three concepts suggested by previous authors (Borman & Motowidlo, 1997). The first of these concepts is that of organisation citizenship behaviours as suggested by Smith, Organ and Near (1983 as cited in Borman & Motowidlo, 1993) and Organ (as cited in Borman & Motowidlo, 1993). These authors defined organisational citizenship behaviour as 'extra-role, discretionary behavior that helps other organization members perform their jobs or that shows support for and conscientiousness toward the organization' (as cited in Borman & Motowidlo, 1993). It was pointed out by Borman and Motowidlo (1997) that the definition presented was significantly based on earlier research by Barnard (1938), Katz (1964) and Katz and Kahn (1978).

The second concept upon which contextual performance is based is that of prosocial organisational behaviour. Brief and Motowidlo (1986) have suggested a working definition for prosocial behaviour in an organizational environment. They propose that 'prosocial organizational behavior is behavior which is (a) performed by a member of an organization, (b) directed toward an individual, group, or organization with whom he or she interacts while carrying out his or her organizational role, and (c) performed with the intention of promoting the welfare of the individual, group, or organization toward which it is directed' (Brief & Motowidlo, 1986:711). It should be highlighted that the main

difference between prosocial behaviour and organisational citizenship behaviour is based on whether the activity is role prescribed or not. Whilst organisational citizenship behaviour is not role prescribed and is in fact, according to the definition presented, out of the boundaries of an individual's role within an organisation, prosocial organisation behaviour can either be role prescribed or extra role (Borman & Motowidlo, 1997).

The last concept relevant for the prosocial organisational behaviour construct is that of the model of soldier effectiveness. The model of soldier effectiveness seeks to establish performance concepts that are applicable to soldiers that are vital for unit effectiveness but that do not fit in with the technical proficiency aspects of performance (Borman & Motowidlo, 1997). The model assumes that in order for a soldier to be effective, they must perform activities that are out of the scope of assigned duties. Another assumption of the model is that the performance of soldiers is closely related to the constructs of organisational commitment, morale and organisational socialisation (Borman & Motowidlo, 1993).

2.4.3. The Allworth and Hesketh addition of Adaptive Performance

Stemming from the above, the need to include a component of performance that considered how an individual adapted to new conditions in the work environment or new job requirements was then recognised (Pulakos, Arad, Donovan & Plamondon, 2000). This idea was supported by Hesketh and Neal (1999 as cited in Pulakos et al., 2000) who argued in addition to task and contextual performance, adaptive performance should be included in the performance domain.

Many researchers have discussed the concept of adaptability with regards to several occurrences at different levels in the organisation (Pulakos et al., 2000). The concept of adaptable performance was initially introduced by Allworth and Hesketh (Allworth, 1997, 1998; Allworth & Hesketh, 1999 as cited in Griffin & Hesketh, 2003) who expanded the task and contextual performance model proposed by

Borman and Motowidlo to include the construct of adaptive performance. Allworth and Hesketh (1997, as cited in Allworth & Hesketh, 1999) described adaptive performance as the individual behaviours that are indicative of the ability to deal with change and to transfer learning from one task to another when the demands of the job change. According to Allworth and Hesketh (1999), adaptive performance is suggested to encompass two components. The first component is a cognitive component that involves the application of learning and problem solving skills. The second on the other hand, is a non-cognitive component that involves the emotional adjustment to changing job or task requirements.

The following section highlights the main differences in relation to task, contextual and adaptive job performance.

2.4.4. Differences in Task, Contextual and Adaptive Performance

Borman and Motowidlo (1993) have highlighted several areas where task performance differs from contextual performance. The first which they highlight is that the activities which constitute task performance contribute either directly or indirectly to the technical core of the business whilst the actions which constitute contextual performance contribute more to the organisational, social and psychological setting within which the technical core operates rather than the technical core itself.

The second distinction between the two types of performance raised by Borman and Motowidlo (1993) is due largely to the job content in different occupations. Whilst task activities are specific to a particular job and may vary between a wide range of jobs in the same organisation, contextual activities remain consistent in most jobs. Contextual activities may change slightly dependent on the environment within which an individual operates; however the main contextual activities will remain the same.

The third distinction between the two types of performance suggested by Borman and Motowidlo (1993), relates to the foundations of task and contextual performance. Task performance is largely impacted by knowledge, skills and ability. On the other hand, the fundamentals of contextual performance stems from factors such as desire and an individual's personality. As explained by Griffin, Neal and Neale (2000), contextual performance is considered to be under the motivational control of the individual and less controlled by the features of the job than task performance. As such, it has been suggested that personality should be the best predictor of contextual performance, whereas individual differences in cognitive ability should be the best predictor of task performance (Hattrup et al., 1998).

Lastly, Borman and Motowidlo (1993) highlight that whereas task activities are agreed to be part of an individual's role in the organisation, contextual activities are not part of the individual's role. Although contextual activities may contribute to organisational effectiveness, they are often not included in an individual's job description.

In addition to the above, it is also important to distinguish between task performance and adaptive performance because the two concepts are so closely related (Allworth & Hesketh, 1999). As explained by Allworth and Hesketh (1999), whilst adaptive performance is concerned with an individual's responsiveness to changing job requirements, task performance is more concerned about the day-to-day performance of job specific tasks. In addition, they suggest an individual who can move between jobs easily will usually have a higher level of adaptive performance.

2.4.5. In Role versus Citizenship Behaviour

The distinction between in role behaviours and organisational citizenship behaviours was first highlighted by Katz (1964) and has since received some support in the literature (Williams & Anderson, 1991). Although the concept of organisational citizenship behaviour (OCB) is somewhat in its infancy,

it has received a great deal of attention in the literature (Coyle-Shapiro, Kessler & Purcell, 2004). The key area of interest focussed largely on establishing individual responsibilities and behaviours that were frequently discarded or ineffectively measured in traditional performance appraisals. Despite their exclusion from the performance appraisal process, these behaviours have been shown to contribute to the overall functioning of the organisation, however because they are not explicitly defined in job descriptions, they are often referred to as extra-role behaviours (Bienstock, DeMoranville & Smith, 2003).

Organ (1988:4, as cited in Williams & Anderson, 1991) defines organisational citizenship behaviour as 'the individual behaviour that is discretionary, not directly or explicitly recognised by the formal rewards system, and in aggregate promotes the efficient and effective functioning of the organisation'. It has also been described as by some as the actions or behaviours that go beyond what is reasonably expected from an employee (Turnley, Bolino, Lester & Bloodgood, 2003). Research in the field of organisational citizenship behaviour has proposed two broad categories of the construct. The first is that of organisational citizenship behaviours that are of advantage to the organisation (OBCO) in general (Williams & Anderson, 1991). Examples of this type of behaviour include obeying informal rules to preserve order within the organisation, maintaining high levels of attendance at work and not taking prolonged breaks during work hours (Turnley et al., 2003). In contrast, the second type of organisational citizenship behaviour are those types of behaviours which are of immediate benefit to a specific targeted individual (OCBI) and thus thereby ultimately benefit the organisation (Williams & Anderson, 1991). This type of behaviour is epitomised by actions such as helping individuals who have been absent from work or those with heavy workloads and paying attention to the welfare of colleagues (Turnley et al., 2003).

In contrast to organisational citizenship behaviours, in-role behaviours (IRB) represent an individual's behaviour in relation to the tasks that are inherent in a particular typical job (Chen, Eisenberger,

Johnson, Sucharski & Aselage, 2009). These behaviours are often prescribed in a job description (Yavas, Babakus & Katratepe, 2012) and are the official agreed individual objectives as set by the organisation (Turnley et al., 2003). Unlike organisational citizenship behaviours, in role performance is considered when making a decision regarding the distribution of rewards within the organisation (Yavas et al., 2012). Knowledge and skills have been suggested to be central elements of in-role performance (Goodman & Svyantek, 1999 as cited in Yavas et al., 2012).

From the above, it is clear that each of the components of job performance is distinct and mutually exclusive. It is important to understand each of these facets of performance in their own right. In most organisations; performance is often viewed as the success in accomplishing tasks and whilst this view is widespread, it only takes into account one component of job performance.

In light of the increased emphasis on the importance of employees to an organisation's success, it is not only important to understand the performance levels of employees within an organisation, but it is also important to understand how these performance levels impact employee decisions to either remain with or leave an organisation. This research reports aims to specifically understand the impact of an employee's performance on their decision to engage in turnover behaviour. Chapter two focuses on the job performance aspect of this research paper whilst the following chapter will review the literature on employee turnover, as well as the literature relating to the connection between employee turnover and job performance.

CHAPTER 3: EMPLOYEE TURNOVER

Employee turnover, the second component of this study, is a phenomenon with a traditionally negative connotation (Staw, 1980) and it is an outcome that has plagued both scholars and practitioners for many years (Mitra, Jenkins & Gupta, 1992 as cited in Marshall & Travaglione, 2000). With a great deal of emphasis currently being placed on talented individuals being a key source in gaining a competitive advantage, organisations are fast realising the need to manage their employee turnover in order to hold on to their high performers (eg: Pfeffer, 2005 as cited in Niederman et al., 2007).

Employee turnover is an occurrence that can be challenging, and in many instances, devastating for businesses (Allen, Bryant & Vardaman, 2010) and as such, many studies have been conducted to highlight the negative effects of this phenomenon. Cascio (1991, as cited in Tziner & Birati, 1996) has established that employee turnover results in several significant costs for an organisation such as separation costs, including exit interviews, administrative and severance pay costs, to costs of replacements and training of a new employee to fill a vacancy. It has been suggested that replacement costs relating to employee turnover can accumulate to a value that is approximately two and a half times the annual salary of the employee that is leaving (Cascio 2003, as cited in Becker & Cropanzano, 2011). However recent research has suggested that there may be benefits that diminish or possibly outweigh the costs linked to employee turnover (Hancock et al., 2013), and whilst the negative consequences still remain relevant, there now exists a body of literature that supports the idea that turnover need not always be a negative occurrence (Staw, 1980). Research has shown that the benefits of employee turnover range from flexibility in the staffing structure of the organisation, to fresh and new ideas being brought in by new recruits, to more appropriate person-job matches (Abelson & Baysinger, 1984). The costs and benefits of employee turnover will be discussed in greater detail in section 3.8 of this study.

Whilst an extremely high turnover rate is often indicative of a problem within the organisation (Pierce & Gardener, 2002), the key to determining whether the impact of employee turnover has been positive or negative for a business is by analysing the performance level of the employee that left (Boudreau & Berger, 1985 as cited in Williams & Livingstone, 1994). According to Schwab (1991), if the employee is a low performer and a suitable replacement can be found easily, it could be considered beneficial for the organisation if the employee leaves the business. On the contrary, he goes on to argue that if the departing employee is a top performer, the consequences of losing that employee could be detrimental for the organisation. It is thus essential to consider the performance level of an individual leaving an organisation before it can be decided whether the consequences are negative or positive for the organisation (Becker & Cropanzano, 2011).

The following sections unpack employee turnover beginning with an in-depth definition of employee turnover and moving on to the models and theories that have surfaced in the literature. Whilst there is a vast amount of literature pertaining to employee turnover, the following sections aim to highlight the most important literature which is of particular relevance to this dissertation.

3.1. Defining Employee Turnover

Due to the attention that employee turnover has received over the years, several definitions of this concept have arisen. One common definition describes employee turnover as the process by which one 'crosses the membership boundary of an organisation' (Price & James, 1977 as cited in Rubin, 1989:27). Expanding on this definition, Abassi and Hollman (2000, as cited in Stovel & Bontis, 2002:305) describe turnover as 'the rotation of workers around the labour market; between firms, jobs and occupations; and between states of employment and unemployment'.

Mobley (1982:10), on the other hand, describes employee turnover as 'the cessation of membership in an organization by an individual who received monetary compensation from the organization'. He

suggests that within this definition, there are several elements that need to be highlighted. The first is that the definition emphasises a termination from the organisation and does not consider internal movement within the organisation. The second is that the individual exiting the organisation is actually an employee of the organisation and thus it is assumed that the individual would have received monetary payments as a result of belonging to the organisation. The last area of consideration is that the term organisation in the definition is pertinent to organisations across an array of industries.

What the above definitions fail to highlight however, is the fact that turnover can be initiated by either the employee or the employer (Pierce & Gardener, 2002). Shaw, Delery, Jenkins and Gupta (1998) acknowledge this point and argue that to treat employee and employer initiated turnover in the same manner ignores the different effects of each of these types of turnover. Resignations resulting from the fact that employees find it more appealing to leave the organisation than to stay has very different implications than an organisation that has high turnover rates due to employer initiated terminations (Shaw et al., 1998). Stemming from this, research has shown that there are two dominant types of employee turnover; involuntary turnover and voluntary turnover (Stovel & Bontis, 2002). Each of these types of turnover will be discussed below.

3.2. Involuntary Turnover

Little research has been conducted on the subject of involuntary turnover and the characteristics of those individuals that unwillingly leave an organisation (Barrick, Mount & Strauss, 1994). Because it is employer initiated, involuntary turnover is often viewed as less important than voluntary turnover. However, organisations should note that involuntary turnover can impact organisational effectiveness just as much as voluntary turnover and it is thus just as important to understand an organisation's decision to terminate an employee, as it is to understand the individual's decision to leave an organisation (Barrick et al., 1994).

Involuntary turnover is defined as 'the movement across the membership boundary of an organisation which is initiated by the employer' (Price, 1977 as cited in Marshall & Travaglione, 2000:273). What is highlighted in this definition is that it is the employer, rather than the employee that elects to terminate the membership. According to Heneman and Judge (2009, as cited in Iqbal, 2010), involuntary turnover can be divided into two categories, namely discharge and downsizing. Discharge turnover is directly related to an employee's performance or due discipline (Iqbal, 2010) and a termination of this kind generally reveals a bad recruitment decision that must be corrected through a dismissal (Shaw et al., 1998). With that said however, an individual's performance level cannot be perfectly known at the time of hiring (Abelson & Baysinger, 1984) and thus this type of turnover should be expected at some level. Downsizing turnover, on the other hand, occurs due to the restructuring of an organisation (Iqbal, 2010) and may arise due to a number of factors; for example, an industry may be experiencing a decline or new technology may cause certain positions to become redundant thus making it necessary for an organisation to terminate a large number of employees (Pierce & Gardener, 2002).

Although the definition of involuntary turnover is relatively straightforward, the measurement thereof can be quite complex. Jackofsky (1984) suggested that poor performance often warrants the termination of an employee from an organisation. This fits into the definition of discharge turnover, as stated above. She goes on to highlight that in some cases, employees are aware that they can be terminated at any time due to their substandard performance. This places them under pressure and in certain circumstances causes them to exit an organisation without any consideration of their alternatives. In line with this idea, Kraut (1975:236) suggested the theory of a 'mutual agreement' between the employer and a poor performing employee. This generally represents that the employee has been performing poorly and allows the employee to leave the organisation as if they had resigned rather than been dismissed due to poor performance. The employee is thus saved from the awkwardness of being dismissed and in some cases will still be entitled to severance pay (Kraut, 1975).

This type of turnover has been termed 'nonvolitional' and is indicative of those types of turnover that have been recorded as voluntary, but are however, ultimately involuntary in nature (Williams & Livingstone, 1994:271). This not only makes the measurement tricky, but can also make it quite difficult to define involuntary turnover accurately.

3.3. Voluntary Turnover

In contrast to the above, voluntary turnover is defined as 'the movement across the membership boundary of an organisation which is initiated by the employee' (Price, 1977 as cited in Marshall & Travaglione, 2000:273). It is characterised by an employee's decision to exit the organisation for any reason (Shaw et al., 1998) and is generally characterised by high rates of absenteeism and tardiness (Campion, 1991 as cited in Hong, Wei & Chen, 2007).

As with involuntary turnover, voluntary turnover can be divided into two categories, namely avoidable turnover and unavoidable turnover (Iqbal, 2010). Avoidable turnover is that type of turnover that could have been prevented through certain conduct, such as a salary increase or a new project (Iqbal, 2010). This type of turnover can be considered as useful to the organisation as it may highlight possible areas for improvement within the business (Morrell, Loan-Clarke & Wilkinson, 2001a). Unavoidable turnover, as implied by the name, is that type of turnover that results from inevitable and unforeseen circumstances (Iqbal, 2010). The relocation of a spouse, pregnancy in the case of female employees and health problems that result in an employee leaving an organisation all constitute situations of unavoidable turnover (Abelson, 1987 as cited in Stalcup & Pearson, 2001). Because unavoidable turnover cannot be prevented by an organisation, trying to reduce employee turnover through preventative measures will likely not be successful in this instance. Instead, management should consider implementing initiatives that will decrease the disruption that this type of employee turnover causes (Morrell et al., 2001a).

3.4. Abelson's Classification of Turnover

Abelson (1987 as cited in Jenkins, 1993), extended the traditional classifications of voluntary and involuntary turnover to include avoidable and unavoidable turnover. He suggested that voluntary, involuntary, avoidable and unavoidable turnover could be combined to produce four distinct types of turnover:

- Avoidable voluntary turnover stems from situations such as higher pay in other companies, issues with the current company and employment offers from superior businesses.
- Unavoidable voluntary turnover occurs in instances such as when an employee's spouse is the reason for relocation of the employee or if an employee elects to change their career path.
- Avoidable involuntary turnover includes those circumstances when an employee is dismissed or retrenched.
- Unavoidable involuntary turnover usually stems from situations where an employee has health problems or can even arise due to the death of an employee.

In line with the above, the classification between voluntary and involuntary turnover is from the perspective of the employee. The classification of avoidable and unavoidable turnover, on the other hand, is from the perspective of the employer (Barrick & Zimmerman, 2005). Abelson's (1987 as cited in Jenkins, 1993) model includes both of the above classifications and encompasses both the employer and the employees' perspectives to form one model.

3.5. Measuring Employee Turnover

Many studies have been conducted in the field of employee turnover and each study has required the researcher to make a decision as to how turnover would be measured. This section aims to discuss the measurement of employee turnover in previous studies so as to compare the common themes in the most relevant articles.

In the formulation of the curvilinear model of job performance and turnover, Jackofsky (1984) takes into consideration both voluntary and involuntary turnover. As mentioned in section 6.2 above, she does however suggest that in many cases, turnover that results from poor performance is often documented as voluntary turnover whereas this type of turnover could potentially be viewed as the equivalent of involuntary turnover. She suggests that whilst poor performance is a cause for dismissal, turnover as a result of the actual or perceived threat of dismissal due to substandard performance could be considered involuntary turnover in nature. The model which is proposed by Jackofsky (1984) predicts that the lower the job performance, the higher the nonvolitional and involuntary turnover.

Further to the distinction between voluntary and involuntary turnover, Jackofsky (1984) also suggests that the movement between organisations, as well as the movement within the organisation should both be considered as turnover. This approach was adopted by Birnbaum and Somers (1993) who, following the suggestion made by Jackofsky (1984), defined turnover as leaving the job as opposed to leaving the organisation. Also in line with this, Jackofsky and Slocum (1987) utilised a simple classification of turnover in their study on the relationship between voluntary turnover and performance. They posited that those remained in their jobs were considered stayers; however, in contrast, those that left their jobs (whether or not they remained with the same organisation) were considered leavers. This classification of turnover is directly in line with the definitions of turnover discussed earlier in section 3.1 of this chapter.

What is interesting in the study conducted by Jackofsky and Slocum (1987) is that only the voluntary turnover portion of the model was chosen to be analysed and studied. This is not uncommon and is evident in the study conducted by Williams and Livingstone (1994). These researchers also excluded the category of involuntary turnover in their study on the relationship between turnover and performance. They suggested that involuntary turnover was as a result of organisations choosing to dismiss poor performers before dismissing their top performers. Based on this premise, they were of

the opinion that including involuntary turnover in their study would not result in any new findings and thus elected to exclude it from their study. Dreher (1982) was also in support of excluding involuntary turnover in studies based on his suggestion that involuntary turnover was undoubtedly connected to employee performance and thus, voluntary turnover was of principal interest in the relationship between performance and turnover.

The above discusses how employee turnover has been measured in previous studies; however it is also important to highlight the problems that may be encountered in measuring employee turnover. In line with the definitions and categories described above, employee turnover has proven to be a complex construct to measure. According to Muchinsky and Tuttle (1979), limited attention has been given to the measurement of job turnover in psychological research. They argue that, in spite of the fact that there are several measures of turnover, there are limited studies that tackle the issue of multiple turnover indices and Stumpf and Dawley (1981) have indicated that single criterion studies are still relatively common in employee turnover studies. In addition to this, there have been several other issues with the measurement of turnover that other researchers have highlighted.

Hom and Griffeth (1995) suggest that research has failed to determine whether the measures of employee turnover that have been used, actually denote the antecedents of employee turnover. As explained by Hom and Griffeth (1995), Marsh and Hocevar (1988) suggest that in some turnover studies, unidimensionality is assumed rather than tested. Whilst unidimensionality of scale is a necessary condition for construct validity (Gerbing & Anderson, 1988 as cited in Hom & Griffeth, 1995), not testing for this causes a lack of construct validation. Furthermore, Hom and Griffeth (1995) have suggested that researchers in the field of employee turnover have often failed to authenticate the convergent and discriminant validity measures of the causes of employee turnover and this has the potential to undermine the confirmation of the theory.

Hom and Griffeth (1995) go on to suggest that an additional problem with the measurement of turnover is that of measurement bias. They suggest that studies incorporating employee turnover generally use the survey method to gather data. They argue that relying on one method to gather data on employee turnover compromises construct and substantive validity of the study. Furthermore, Muchinsky and Tuttle (1979) indicate that many researchers use data that has been archived for some time to gather information for their turnover studies. These authors argue that this data would thus be affected by some measurement error that is unquantifiable. Building on this argument, Mobley (1982b) suggests that employee turnover is a process and in order to examine this process, one would need repeated measures of several antecedents over a period of time. In an article that sought to test the relationship between performance and turnover, Jackofsky and Slocum (1987) stated that in order to capture the process of turnover, they elected to gather the measures of turnover at different times. The time difference between the two measures was 120 days. In addition, they suggest that the examination of the data would require some analysis that was capable of capturing the temporal aspect of employee turnover. Whilst the methods that capture the temporal aspects of turnover are cumbersome and administrative, they are a better option to the convenient but insufficient singular measures of employee turnover (Jackofsky & Slocum, 1987).

The issue of measurement bias is well illustrated in a study conducted by Mathieu and Baratta (1989). They conducted their study in the banking sector and employees that had left the bank were interviewed either telephonically or in person regarding their reasons for leaving the company. In this case, the authors established that the information they received in these interviews was possibly not completely accurate. They suggested that this could have been related to the fact that employees did not want to burn their bridges once they had left the bank. In a previous study on the validity of exit interviews, Lefkowitz and Katz (1969) had indicated that exit interviews were not a reliable source of data. They argued that the information produced from exit interviews could be unreliable and suggested that an exit interview be followed up with a post termination survey.

From this, it can be seen that not only is employee turnover difficult to define, but there have also been some challenges in the reliable measurement of this construct. With that said, employee turnover is still a subject which is of vital importance to all organisations because of its impact on the company's success.

In line with this, whilst much of the research on employee turnover has been devoted largely to the causes of the phenomenon (Koslowsky, 1987, Mowday, 1981, Sheehan, 1991, Staw 1980 as cited in Sheehan, 1993), less interest has been paid to the consequences of employee turnover (Dalton & Todor, 1979; Staw & Oldham, 1978 as cited in Mobley, 1982b). An employee leaving an organisation has positive and negative implications for both the employer and the employee that is exiting the organisation (Sheehan, 1993). As explained by Keller (1984 as cited in Sheehan, 1993), some of the benefits that a departing employee may experience include increased job satisfaction, better pay and the fulfilment of personal or career oriented goals. In contrast, as highlighted by Koslowsky, (1981 as cited in Sheehan, 1993) a negative consequence for the employee is that it can be quite stressful to adjust to a new organisation and a new position. Mohammad and Nathan (2008) expanded on this by suggesting that the employee may incur additional costs involved in job search activities as well as relocation expenses.

Whilst the positive and negative consequences of turnover for an individual are an interesting area of research, it is not relevant to this study. Of more relevance to this study is the impact that employee turnover has on an organisation. Various authors have warned against the common assumption that employee turnover is always a negative occurrence (Mobley, 1982b). This implies that employee turnover can produce positive effects for an organisation as well (Mohammad & Nathan, 2008). One of the methods to establish whether turnover has been a good or bad phenomenon is to determine whether there has been a positive or negative impact on the organisation when the employee left (Johnson, Griffeth & Griffin, 2000). In doing this, one vital factor to consider is the performance of the

individual who is exiting the organisation. It is the performance level of the departing employee that will determine whether the turnover has had positive or negative consequences for the organisation (Johnson et al., 2000), and it is this distinction that underpins the classifications of functional and dysfunctional turnover. By considering the performance profile of individuals in the organisation, employers may be in a better position to ascertain their employee turnover risk thereby encouraging functional turnover and making a concerted effort to circumvent dysfunctional turnover (Becker & Cropanzano, 2011).

The following section explains the concepts of functional and dysfunctional turnover in more detail.

3.6. Functional and Dysfunctional Turnover

Whilst the idea of functional versus dysfunctional turnover is based on the performance level of the employee, it is also underpinned by one main assumption: individuals that are hired to replace previous employees perform at a level that is of no less than average in standard (Dalton, 1982 et al as cited in Johnson et al., 2000). Thus, in the event that a top performer leaves an organisation, based on the above assumption, the replacement employee will be of a lower performance level on average and this will impact negatively on the organisation (Johnson et al., 2000). Furthermore, as these high performers depart from the organisation, their experience, skills and knowledge are lost to the organisation which result in productivity interruptions related to their departure (Abbasi & Hollman, 2000 as cited in Wells & Peachey, 2011). This is considered to be dysfunctional turnover and in simpler terms, occurs when it is the top performers that are leaving the organisation (Park, Ofori-Dankwa & Bishop, 1994). Dysfunctional turnover 'refers to a condition of malfunction' (Abelson & Baysinger, 1984:332) and is often damaging to the organisation (Allen et al., 2010). In the case of this type of turnover, the likelihood of employing an individual that is of a higher performance level than the departing individual declines as the performance level of the exiting employee increases (Abelson, 1986).

In contrast, in the event that a low performer exits an organisation, the replacement is assumed to be of a higher performance level and thus the impact on the organisation will be positive (Johnson et al., 2000). This is considered to be functional turnover and in simpler terms, occurs when it is the low performers that are leaving an organisation (Park et al., 1994). Although disruptive (Allen et al., 2010), functional turnover can be beneficial in that the organisation has the opportunity to replace the low performing employee with one that will add more value to the organisation. However, in spite of this, it is important to note than even if the exiting employee and the new employee are of the same performance standard, the new employee will take some time to adapt to the new working environment and thus the performance level of this individual will initially be affected (Abelson, 1986).

Dalton, Todor and Krackhardt (1982) proposed a model that describes the concepts of functional and dysfunctional turnover. This diagram can be seen in figure 3 below:

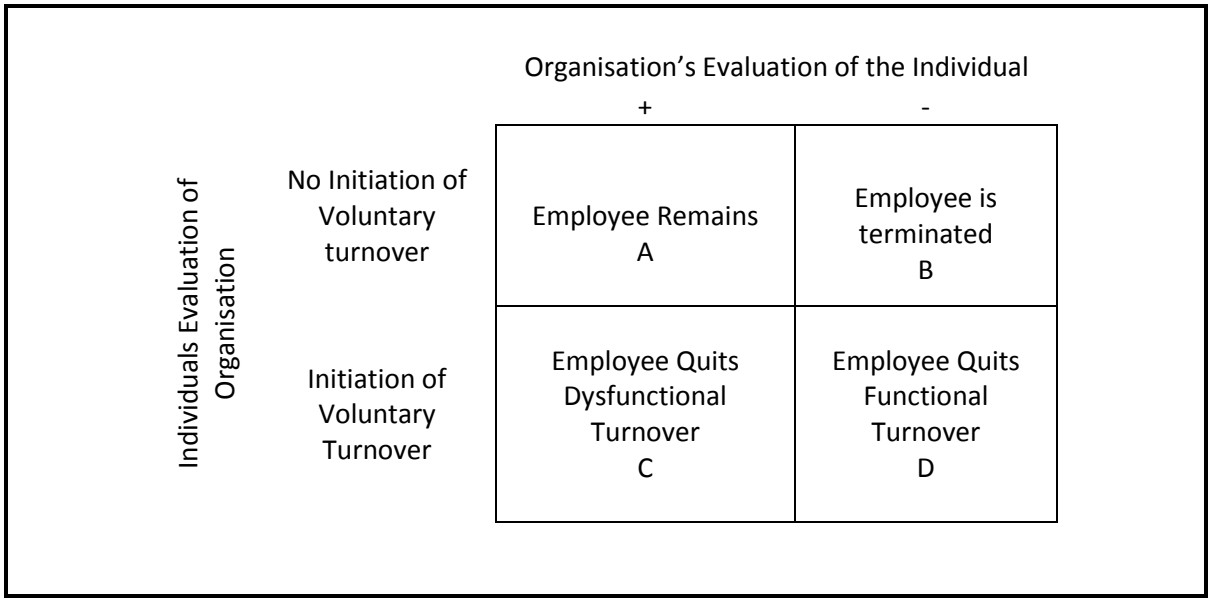

Figure 2: Figure Illustrating the Difference in the interpretation of turnover in the organisation (Dalton et al., 1982)

In the above diagram, each of the four blocks is illustrative of a condition that exists between the company and the individual:

- Cell A represents a situation whereby the organisation has a positive perception of the employee, and likewise, the employee has no intention of leaving the organization. Thus both parties are willing to preserve the employment relationship.
- Cell B illustrates a circumstance whereby the employee is perceived negatively by the organisation. The employee, on the other hand, has no intention of exiting the organization. Thus in the case, the employee will be dismissed.
- Cell C represents a situation where the organisation perceives the individual in a positive light; however the employee still exits the organization. A high performer as perceived by the organization has left the company and thus this is considered dysfunctional turnover.
- Lastly, Cell D illustrates a situation where the organization has a negative perception of the employee and the employee leaves the organization. A low performer has left the organization and it is thus considered functional turnover.

  (Dalton et al., 1982)

What is also important to note in this model is that although Cell C and Cell D both represent the same level of turnover, what differentiates the two blocks is the impact that the turnover has on the organisation. It is this that distinguishes dysfunctional turnover from functional turnover (Dalton et al., 1982).

In light of this discussion regarding functional and dysfunctional turnover, the employee utility of movement model is a relevant piece of literature that needs to be discussed. This model will be unpacked in detail below.

3.7. The Utility of Movement Model

The employee movement utility model, as proposed by Boudreau and Berger (1985), is largely connected to the discussion of functional and dysfunctional turnover and is highly relevant to the

discussion of employee turnover and job performance. Boudreau and Berger (1985) begin their discussion by defining external employee movement as the movement across the boundary of the organisation that involves either creating or ending an implied and explicit contract of employment. Based on this definition, they suggest that employee movement can occur in one of three ways. The first is that of pure growth. This indicates a situation where the company is acquiring new resources. Pure reduction on the contrary, indicates a condition whereby resources are separating from the organisation and the third situation is indicative of a combination of both scenarios whereby all combinations of acquisitions and reductions are incorporated.

Furthermore, as explained by Boudreau and Berger (1985), Boudreau (1984c) and Boudreau and Berger (in press) the theory suggests that the decisions impacting employee movement are a function of three factors. The first of these is the quantity of movers. This can be interpreted as the number of employees entering the organisation. The second is the quality of movers and is indicative of the improvement of productivity produced by the new employees. The last element involves the costs that are encountered in producing the movement. These elements are the foundation of all utility analysis models and were used as the basis in the formulation of the external employee utility movement process proposed by Boudreau and Berger (1985). Whilst the complete utility model involves substantial algebraic formulae, the focus here is not on the formulae, but rather on the concepts of the model. A verbal and graphic description of the process model is illustrated and explained below:

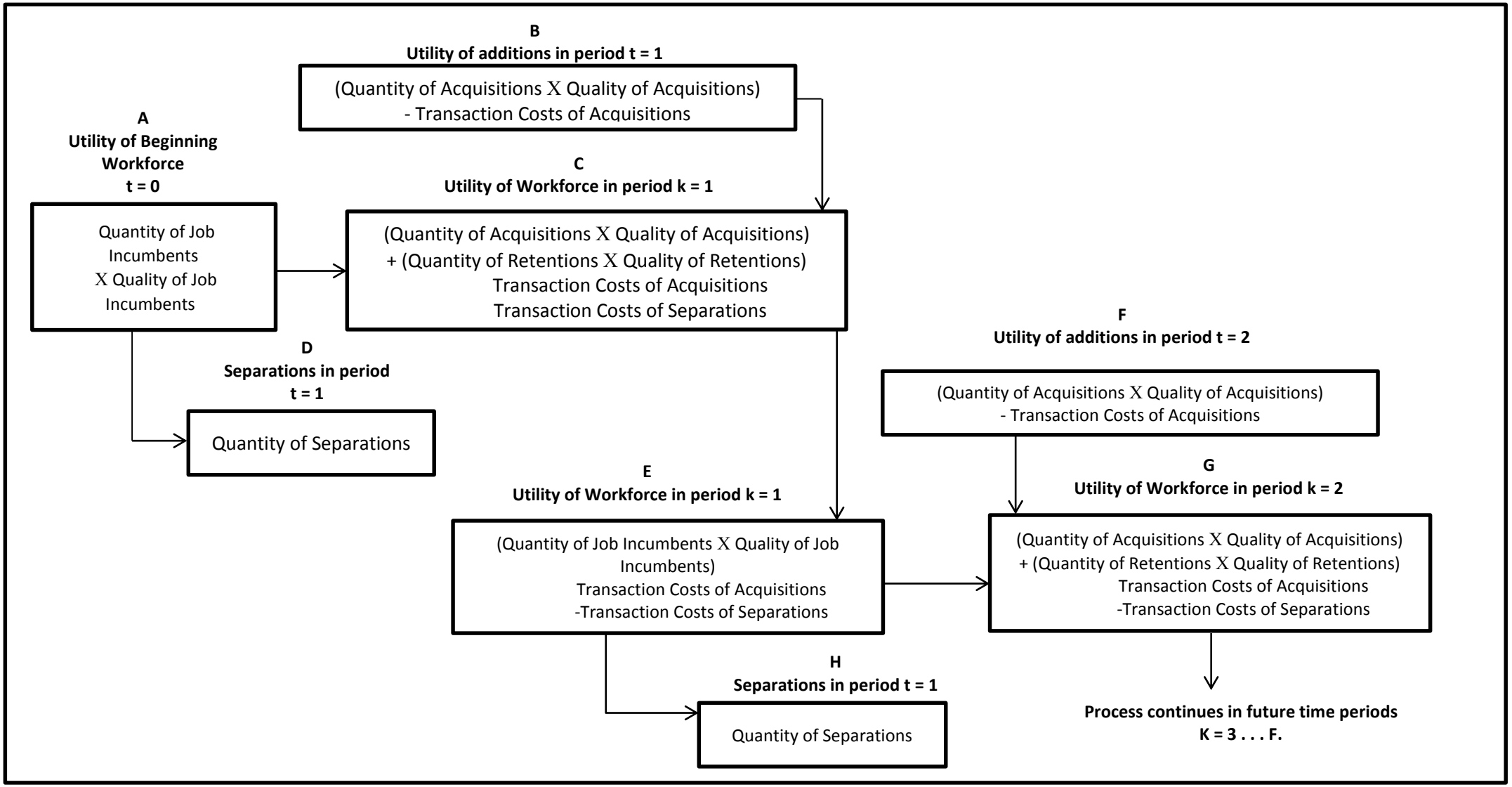

Figure 3: Verbal and graphic description of the external employee movement utility process (Boudreau and Berger, 1985)

As explained by Boudreau and Berger (1985), in the above diagram, each box is indicative of a component of the utility model for separations and acquisitions. The diagram includes two periods of acquisitions and separations. Box C is indicative of the utility at the end of the first period and the start of the second period (Box E). The line connecting the Box C and Box E is indicative of their relationship.

The value of the workforce at the beginning of the time of analysis is represented by Box A. In each time period, there are two possibilities that may occur. Either the organisation may elect to hire new employees (this is represented by Box B for the first time period) or some employees may separate from the organisation (this is indicated by Box D for first period). These separations will impact the quantity and quality of those retained at the beginning of the period.

The second period begins in box E and ends in Box H. It is the same as the first period, however the workforce utility is different as the acquisitions and reductions from period one must now be taken into consideration. This process is presumed to continue in this fashion for the extent of the utility analysis.

Whilst the details of the formulae have not been discussed, the utility of the workforce in any period will be as a result of whether the organisation has attracted and retained high performing employees. As can be seen in the diagram, Box C and Box G illustrate that the utility of the work force is a function of the quality of retentions and acquisitions. It is this part of the model that is connected to the concepts of functional and dysfunctional turnover as the quality of retentions relates to whether you are losing your high or low performing employees. Thus, the utility model of employee movement is relevant in the discussion of employee performance and turnover and clearly illustrates the impact that the performance turnover relationship has on the effectiveness of the organisation's workforce.

3.8. The Consequences of Employee Turnover

In line with this, it is evident that, depending on whether turnover has been functional or dysfunctional for the organisation, there exists either positive or negative outcomes that need to be considered. The sections below discuss both the positive and negative consequences that employee turnover may cause.

3.8.1. The Negative Consequences of Employee Turnover

The adverse impact of employee turnover on organisations has been well researched and well documented. Many researchers have gone into great detail to highlight both the tangible and intangible negative consequences of employee turnover. One of the most comprehensive turnover costing models; which focuses on the various costs which an organisation may face due to employee turnover, was put forward by Cascio (1986). The first set of tangible costs highlighted in this model is termed separation costs. As explained by Cascio (1986), separation costs include a number of factors such as exit interview costs, administrative costs and severance pay costs. An example of an administrative cost associated with employee turnover is the closing of the exiting employees personnel file (Glueck, 1982 as cited in Sheehan, 1993; Mohammad & Nathan, 2008) whilst severance pay expenses is relevant in the case where employees are dismissed (Darmon, 1990).

A second category of turnover costs established by Cascio (1986) is that of replacement costs. He proposed that the replacements costs of turnover included, for example, the advertising of a vacant position, the interviewing of candidates and the background check. As highlighted by Kuean, Khin and Kaur (2010), a high turnover rate can lead to recruitment and selection becoming a major function of the business. This not only increases replacements costs but it also inflates administrative costs.

Lastly, Cascio (1986) cited training costs as a prominent expense which is associated with employee turnover. Staw (1980) argued that it would take time before a new employee can function at the same level as that of a departed employee. Costs associated with training a new employee include the direct cost of training courses as well as the costs of informal on-the-job training by old employees to help the new employee adjust to the organisation. Tziner and Birati (1996) extend this argument by highlighting that there is also a cost that arises when a new employee needs to be socialised into the organisation. They describe socialisation as the process of attaining all the necessary knowledge in order to perform a job effectively. They point out that while the cost associated to socialisation will be experienced by colleagues and managers, the cost for managers will be disproportionately higher as they will have to socialise a newcomer at the cost of more productive activities.

In addition to the costs highlighted in the Cascio (1986) costing model, it has also been suggested that employees who remain with the organisation after a co-worker has quit often attempt to understand why the individual left the organisation (Koslowsky, 1987, Mowday 1981, Mowday, Porter & Steers, 1982, Sheehan, 1991, Steers & Mowday, 1981 as cited in Sheehan, 1993). Employees that remain with the organisation attribute their colleagues exit to various reasons and in many cases, these reasons cause the remaining employees to view their job in a negative light. Furthermore, Mowday (1981 as cited in Sheehan, 1993) proposed that when an employee is unhappy in their job and elects to exit the organisation, the impact may be that the stayers are prompted to reconsider their jobs within the organisation and become dissatisfied. Riley (2006 as cited in Kuean et al., 2010) extends this point by highlighting that employee turnover can cause a decrease in team integration, cohesion and morale. Furthermore, the authors go on to suggest that this can increase group conflicts and result in issues with customer service.

The negative consequences of employee turnover have been well researched and it is difficult to cover each of these consequences in detail. Below however is a summary of the costs related to employee

turnover, as summarised by Allen et al (2010 :51, adapted from Fitz-enz, 2002 and Heneman & Judge, 2006):

Separation Costs	***Tangible* Costs**
	HR staff time (e.g., salary, benefits, exit interview)
	Manager's time (e.g., salary, benefits, retention attempts, exit interview)
	Accrued paid time off (e.g., vacation, sick pay)
	Temporary coverage (e.g., temporary employee, overtime for current employees)
	***Intangible* Costs**
	Loss of workforce diversity
	Diminished quality while job is unfilled
	Loss of organizational memory
	Loss of clients
	Competition from quitter if he/she opens a new venture
	Contagion—other employees decide to leave
	Teamwork disruptions
	Loss of seasoned mentors
Replacement Costs	***General Costs***
	HR staff time (e.g., benefits enrolment, recruitment, selection, orientation)
	Hiring manager time (e.g., input on new hire decision, orientation, training)
	***Recruitment* Costs**
	Advertising
	Employment agency fees
	Hiring inducements (e.g., bonus, relocation, perks)
	Referral bonuses
	***Selection* Costs**
	Selection measure expenses (e.g., costs of RJP, work samples, selection tests)
	Application expenses
	Orientation and Training Costs
	Orientation program time and resources
	Formal and informal training (time, materials, equipment, mentoring)
	Socialization (e.g., time of other employees, travel)
	Productivity loss (e.g., loss of production until replacement is fully proficient)

Table 1: Table summarising the costs associated to employee turnover

3.8.2. The Positive Consequences of Employee Turnover

Whilst the above highlighted the literature surrounding the adverse impact of employee turnover, the possible positive impact of employee turnover has received less attention (Staw, 1980). Although the

potential benefits from employee turnover are less obvious and less quantifiable, they may still contribute to the sustainability of the organisation in the long run (Staw, 1980). Dess and Shaw (2001 as cited in Kuean et al., 2010) highlight that while the costs of employee turnover can be substantial, organisations can also gain from the payroll reduction and the exit of poor performers. Tziner and Birati (1996) suggest that if poor performers leave of their own accord or are dismissed, employee turnover will be positive for an organisation by increasing the likelihood of the organisation achieving its goals. They go on to argue that when poor performers exit the organisation, there is an opportunity for the organisation to obtain higher performers to replace them which will ultimately lead to an increase in productivity of the overall level of the organisation's performance.

Another prominent positive consequence of employee turnover for the organisation is that of the reduction of conflict within the organisation (Kuean et al., 2010). Staw (1980) points out that conflict in an organisation can take place at all levels of the organisation as well as between all levels of the organisation. He argues that conflict may not be simple to resolve and this prompts one party involved in the conflict to exit the organisation. This may reduce the conflict in the organisation thereby enhancing organisational effectiveness.

As suggested by Staw (1980), employee turnover may also have an impact of the mobility of staff members within the organisation. He suggested that turnover at middle and senior level positions could result in promotion opportunities for other employees thereby resulting in improved organisation morale.

Lastly, it has been suggested that employee turnover assists organisations in adapting to change and remaining innovative and competitive (Mohammad and Nathan, 2008). As explained by Campbell (1965 as cited in Staw, 1980), employee turnover can potentially result in hiring of new staff members.

These staff members could be the source of fresh ideas (Abelson & Baysinger, 1984) and could provide variety to the organisation.

Below is a summary of the benefits related to employee turnover as summarised by Allen et al (2010 :51, adapted from Fitz-enz, 2002 and Heneman & Judge, 2006):

Turnover Benefits	Savings may be achieved by not replacing leaver
	There is an infusion of new skills or creativity into the organization
	Vacancy creates transfer or promotion opportunity for others
	Cost savings may be achieved by hiring a replacement with less experience or seniority
	Replacement could be a better performer and organization citizen
	Replacement could enhance workplace diversity
	Departure may offer the opportunity to reorganize the work unit

Table 2: Table summarising the benefits associated to employee turnover

It is important here again to mention that, despite the positive effects of turnover reviewed above, excessive employee turnover, whether it is high or low performers that are leaving, can result in an unstable workforce (Grobler, Warnich, Carrell, Elbert & Hatfield, 2005 as cited in Kuean et al., 2010) and every organisation should be cognisant of this. In attempting to understand employees' quit decisions, various researchers have proposed explanatory turnover models that are thought to unpack the quit decisions of employees. These models will be discussed in the following section.

3.9. Explanatory Theories of Employee Turnover

This section aims to look at the antecedents rather than the consequences of employee turnover and seeks to investigate the factors that ultimately result in employee turnover.

In order to investigate the antecedents of employee turnover, it is first important to understand the relationship between an employee and the organisation to which that employee belongs. It is a common assumption that an individual will choose to remain a member of an organisation in return

for some sort of benefit. Whilst this idea seems logical, evidence and theory highlight that the relationship between an organisation and an employee is far more complex (Rogers, Heffernan & Warner, 1972). As such, there has been a great deal of research that has been conducted in the area of employee turnover (Price & Mueller, 1981) and several models aimed at highlighting the antecedents of employee turnover have been established. The problem with such models is that they have not considered all aspects that could potentially impact employee turnover and as such, they lack exhaustiveness. Each model proposes variables that are thought to impact employee turnover, however, the variables that are deemed to be important in one model are not even featured in later research. This has made it extremely difficult to accurately establish the determinants of employee turnover (Price & Mueller, 1981).

Although there are many models of employee turnover that have surfaced over time, not all these models are relevant to this study. Given that this research paper aims to establish the relationship between job performance and employee turnover, there are several models of turnover that are specifically pertinent to this topic. March and Simon (1958), the seminal theorists in the field of employee turnover, proposed a model which is of great relevance to the topic being studied. Their model provided a solid basis for many other studies of employee turnover and has been a valuable contribution to the field of employee turnover (Mobley, 1982a). The March and Simon (1958) model is the foundation of the performance-turnover theory suggested by Jackofsky (1984), and this model, together with a number of other influential models, will be discussed in detail below. Whilst the explanation of the March and Simon (1958) model provides an understanding of the foundations of the Jackofsky (1984) model, the other models discussed in the following sections have been included to provide an overview of the main body of theory regarding the explanatory models of employee turnover.

3.9.1. The March and Simon Model of Employee Turnover

Much of the early research on employee turnover was dominated by the authors, March and Simon (Lee, Mitchell, Wise & Fireman, 1996). According to Lee, Mitchell, Wise and Fireman (1996), the model proposed by March and Simon (1958) was based on previous experimental models which were aimed at establishing the linkage between job attitudes and employee turnover. Studies conducted subsequent to the release of the March and Simon (1958) model of employee turnover support the linkage between attitudes and employee turnover. In a study conducted with a sample of salesman for a manufacturing company, Kraut (1975) found that employee attitudes greatly impacted later behaviour. He further concluded that an employee's intent to leave is a strong predictor of actual turnover behaviour. In addition to this, the findings of the meta-analysis study conducted by Griffeth, Hom and Gaertner (2000) suggests that one of the best predictors of turnover is an individual's intention to quit. These findings support the basis for the model proposed by March and Simon (1958).

In addition to the above, according to March and Simon (1958), their employee turnover model is also based on the Barnard-Simon theory of organisational equilibrium. This theory has been summarised as follows:

1. The organisation is comprised of a system of connected social behaviours of individuals called participants of the organisation.
2. Each participant makes various contributions to the organisation and in return, receives inducements from the organisation. Sprowls and Asimow (1962) have defined inducements as the payments which are made to the employee by the organisation and contributions as the payments made to the organisation by the employee.

3. The participant is assumed to continue his membership with the organisation if the inducements which he receives from the organisation are equal to, or higher than, the contributions which he makes to the organisation.
4. The contributions received by the participants are then used to generate the inducements which are offered back to the participants.
5. Thus, the organisation is considered to be solvent if the contributions provided by the participants are sufficient to generate inducements which are large enough for the company to be able to continue paying the inducements to the participants.

   (March & Simon, 1958)

It is important to highlight that the above theory has focussed on five major groupings of participants, namely employees, investors, suppliers, distributors and consumers (March & Simon, 1958). However, in relation to the research to be conducted in this study, the employee participant category will be the predominant focus.

Based on the Barnard-Simon theory discussed above, March and Simon (1958) hypothesized that if the value obtained from the utilities received exceeds the value of the alternatives that the individual sacrifices in order to contribute to the organisation, the likelihood of the individual exiting the organisation decreases. They further propose that the inducements-contributions balance is impacted by two interrelated components: the perceived desirability of exiting an organisation and the perceived ease of movement out of an organisation. In their model of motivation, March and Simon (1958) suggest several factors that they believe impact both the perceived desirability of movement and the perceived ease of movement. The following diagram has been adapted by Morrell et al (2001a), and illustrates the factors that have been suggested to impact both the perceived ease of movement and the perceived desirability of movement:

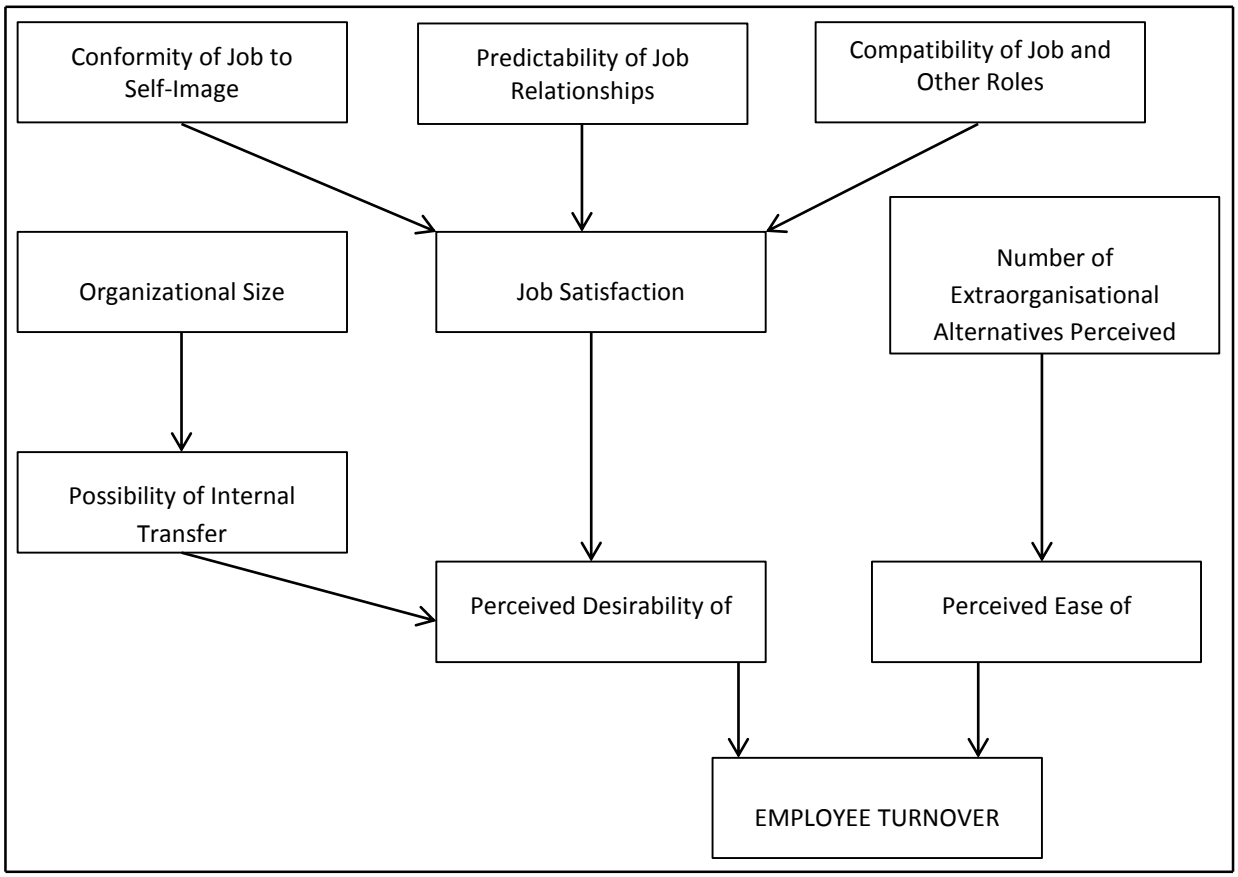

Figure 4: Simplified Version of March and Simon's Model (1958 as cited in Morrell et al., 2001a)

Based on the above illustration, the proceeding sections aim to discuss each of the factors affecting the perceived desirability and ease of movement.

6. Factors Affecting the Perceived Desirability of Movement

Whilst the perceived desirability is one of the two major components in the March and Simon (1958) model, this factor cannot be considered in isolation as there are various other factors that impact this particular component of the turnover model. The literature surrounding the perceived desirability of movement suggests that one of the major factors impacting this construct is employee satisfaction with the job (March & Simon, 1958). March and Simon (1958) suggest that the perceived desirability of movement will decrease as the level of job satisfaction increases. This hypothesis is supported by

Wild and Hill (1970 as cited in Pettman, 1973) who conducted a study on the relationship between job satisfaction and employee turnover amongst female employees in the electronics industry. They found that voluntary turnover was strongly correlated to job dissatisfaction. Furthermore, in a study conducted by Irvine and Evans (1995), a negative relationship was also found between job satisfaction and turnover. These studies are all in support of the hypothesis put forward by March and Simon (1958).

In addition to the above, March and Simon (1958 as cited in Pettman, 1973) further suggested that job satisfaction is largely impacted by three major variables; the predictability of instrumental relationships on the job; the conformity of job characteristics to self-actualisation held by the individual and the compatibility of work requirements to other roles. They hypothesized that these variables were all positively related to job satisfaction hence reducing one's perceived desirability of movement and thus ultimately reducing employee turnover.

7. Factors Affecting the Perceived Ease of Movement

As with the perceived desirability of movement, there are many factors which are thought to impact the perceived ease of movement. For example, research has shown that employee turnover can be dependent on the state of the job market (March & Simon, 1958 as cited in Gerhart, 1990). This argument is the basis of the major factor impacting the perceived ease of movement and according to March and Simon (1958), the greater the perceived number of extraorganisational alternatives, the higher the perceived ease of movement and the higher the employee turnover. In addition to this, Pettman (1973) argues that the number of extraorganisational alternatives is also impacted by various factors, one of which is the personal characteristics of the participants. Gender, age, social status, and length of service are all factors which encompass the personal characteristics of an individual. These factors have all been suggested to have an impact on the perceived number of alternatives available. For example, March and Simon (1958) highlight studies which show that the employee turnover rate

is typically higher amongst males than amongst their female counterparts. Barnes and Jones (1974 as cited in Rubin, 1989) support this statement and further suggest that when females quit, they are more likely to leave the workforce entirely in contrast to males who take up employment in other companies.

March and Simon (1958) further suggest that the number of organisations visible as well as the level of business activity will also have an impact on the perception of alternative employment opportunities available to an individual. As the number of visible organisations and the level of business activity increases, the opportunities perceived by the participant also increases. Linking together the personal characteristics of the individual and the number of organisations visible is that of the visibility of the individual to other organisations. As explained by March and Simon (1958), individuals who are noticeably respected by their current employers will perceive themselves to be more in demand than those who possess skills that are less in demand. This will in turn, impact their perception of the external employment opportunities available to them.

The last factor suggested to impact the perceived ease of movement is an individual's propensity to search for alternative employment opportunities. The more likely an individual is to search for alternate employment opportunities, the more likely they are to find opportunities that exist outside the organisation which will in turn impact the perceived alternatives available (March and Simon, 1958).

8. Evaluation of the March and Simon Model

The March and Simon (1958) model of employee turnover, whilst the basis for numerous employee turnover studies, does have some limitations which must be highlighted (Morrell, Loan-Clarke & Wilkinson, 2001b). Morrell, Loan-Clarke and Wilkinson (2001b) suggest that the model places a disproportionate amount of emphasis on compensation as a contributing factor to job satisfaction in

comparison to other intrinsic factors. They argued that other factors such as employee demographics and work environments (Reiner, 1999) for example, can also impact job satisfaction and should thus be taken into consideration.

In addition to this, Lee, Mitchell, Fireman and Wise (1996) strongly criticized the model for being narrowly focused. They argued that there is a great focus on the impact that job dissatisfaction has on employee turnover; however they provide little information on how other constructs may impact employee turnover. This argument is further supported by Krau (1981 as cited in Morrell et al., 2001b) who suggests that the model does not encompass the individual's evaluation of the career development opportunities available in a particular organisation. Morrell, Loan-Clarke and Wilkinson (2001b) also critique the model on the basis that it illustrates a static view of an employee's decision to exit the organisation.

Despite the above, there has been some support for portions of the March and Simon turnover model. Pettman (1973), one of the few researchers to conduct an extensive review of the employee turnover literature with particular focus on the model presented by March and Simon (1958), highlighted his support of a few, but not all of the hypotheses suggested in the model (Mobley, 1982b). Likewise, Schwab and Dyer (1974 as cited in Mobley, 1982a) provide some support for the model in their study which found that turnover is correlated to an individual's desirability to leave an organisation, however it is not linked to perceived ease of movement, as suggested by March and Simon (1958).

The above discussion provides support for the March and Simon (1958) model but also highlights the shortcomings that the model has. With that said, the March and Simon model was one of the first employee turnover models to be proposed. Thus, whilst it can be concluded that the support for the March and Simon (1958) model has been somewhat inconclusive, it still remains the foundation for many other turnover models that were subsequently proposed.

3.10. The Mobley Intermediate Linkages Model

Based largely on the work of March and Simon (1958) and Locke (1975, 1976), Mobley (1977 as cited in Mobley 1982a), put forward a model termed 'The Mobley Intermediate Linkages Model'. In this model, Mobley (1977 as cited in Mowday, Koberg & McArthur, 1984) focuses on the factors that were thought to link job attitudes with actual turnover.

The employee turnover model proposed by Mobley (1977) focuses on establishing the process that takes place when dissatisfaction results in the decision to leave an organisation (Hom, Griffeth & Sellaro, 1984) and thus takes a more holistic view as opposed to a static view of turnover for which the March and Simon model was initially critiqued. Mobley (1977) highlighted the necessity of thinking beyond the satisfaction-turnover linkage toward the cognitive and behavioural processes that potentially occur between satisfaction and actual employee turnover and thus presented a model based on the decision process that takes place within an individual (Mobley, 1982a). He identified possible precursors that have an impact in the satisfaction-turnover relationship (Mobley, 1982a).

As explained by Hom, Griffeth and Sellaro (1984), the starting point of Mobley's model is the evaluation of the current job. This evaluation would either result in job satisfaction, or job dissatisfaction. Should the evaluation result in job dissatisfaction, it was proposed that the employee would then consider the possibility of leaving the organisation. This however, would be dependent on the costs associated with leaving the company, as well as the option of available alternatives. If the costs were considered to be minimal in comparison to the benefit that could be obtained from alternate employment, and the employee perceived that there were other possible alternative employment opportunities, the employee would then move on to seeking alternative employment. Once alternative employment options are found, the employee evaluates these against his current employment. Should the evaluation favour the alternative, the employee engages in turnover

behaviour and departs from the organisation. Mobley (1982a) also incorporates feedback loops and step of the model.

A diagrammatic illustration of the model can be seen below:

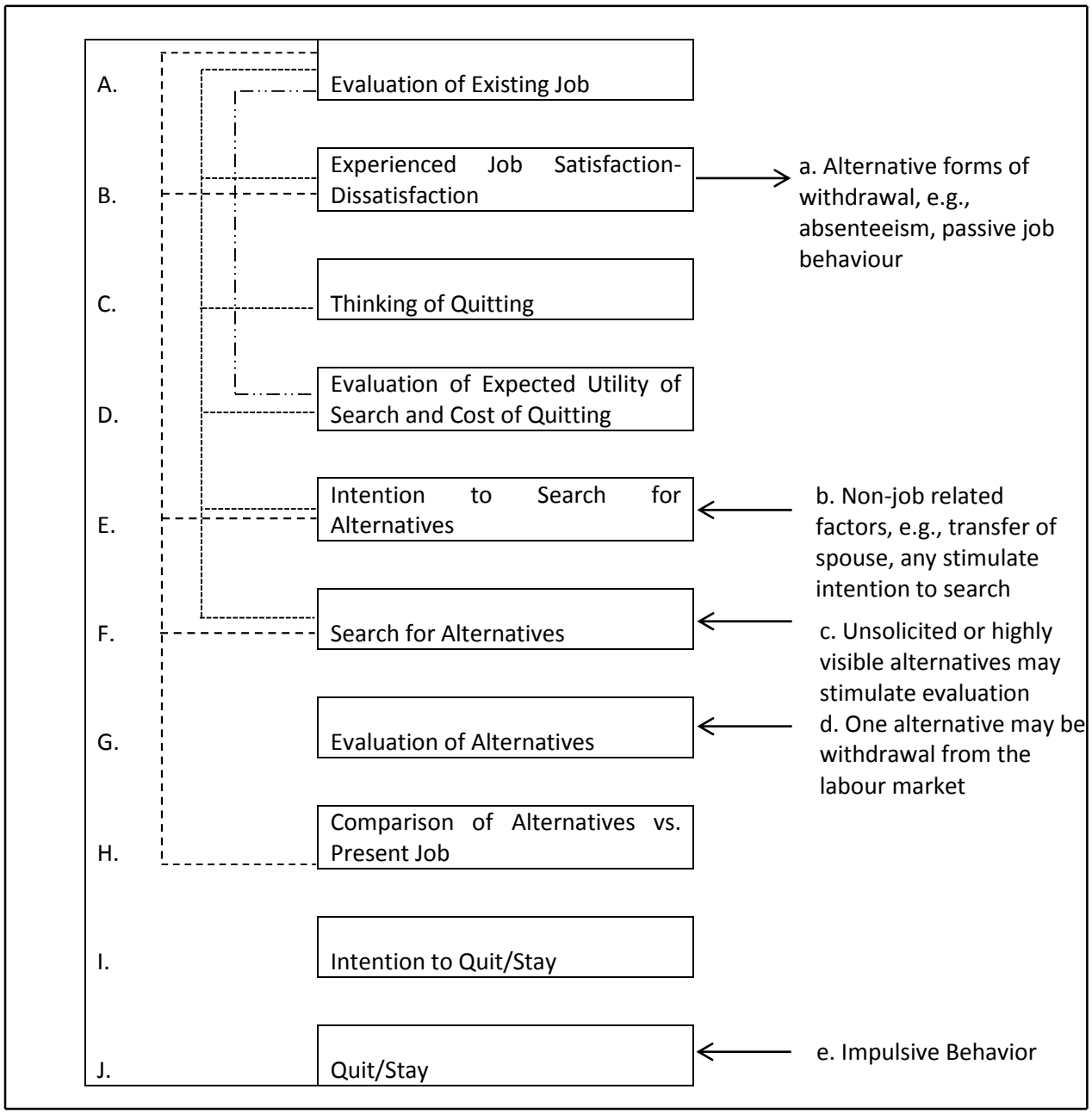

Figure 5: Mobley's intermediate linkages model (Mobley, 1982a)

9. Evaluation of the Mobley Intermediate Linkages Model

The relationships which Mobley (1979) proposed in his model describe the stages that would occur between the experience of dissatisfaction with a job and the action of engaging in turnover behaviour (Steel & Lounsbury, 2009). Mobley's model is based on the generally supported premise that turnover intentions are the best predictors of actual turnover (Mobley, 1982a). This argument has been studied by many researchers that have found evidence in support of this (Kraut 1975; Newman 1974; Porter et al. 1974; Porter, Crampon & Smith 1976; Steers 1977; Waters, Roach, & Waters, 1976 as cited in Futrell & Parasuraman, 1984). However, despite this, Chandrashekaran, McNeilly, Russ and Marinova (2000) have challenged this widely supported idea for two reasons. The first is that the relationship between turnover intentions and actual turnover has been found to be inconsistent and imperfectly correlated (Futrell & Parasuraman, 1984 as cited in Chandrashekaran et al., 2000). The second is because of issues with the measurement (Chandrashekaran et al., 2000).

As with the March and Simon model, whilst certain aspects of Mobley's model have been supported, it has also been criticised in that although the possibility of finding alternative employment has been proven to impact on thoughts of leaving one's job (Coverdale & Telborg, 1980, Mobely et al, 1978 as cited in Mobley, 1982a), there is little evidence to prove that the possibility of finding alternate employment will impact on job search or turnover intention as suggested in this model (Coverdale & Telborg, 1980, Miller et al, 1979; Mobely et al, 1978, Mowday et al,1980 as cited in Mobley, 1982a).

Despite the criticisms of The Intermediate Linkages Model, the influence of Mobley's work has been indisputable and his ideas have had a great impact on many other authors (Steel & Lounsbury, 2009).

3.11. Mobley, Griffeth, Hand and Meglino: Expanded Model

According to Mobley (1982a), the employee turnover model as proposed by Mobley, Griffeth, Hand and Meglino (1979) encompasses several elements of other employee turnover models that were

suggested by previous researchers. The model aims to encapsulate the complex nature of the turnover process and suggests that there are four main determinants of intentions to quit and hence employee turnover. These are job satisfaction-dissatisfaction, the expected utility of alternative internal work roles, the expected utility of external alternative work roles and non-work values and contingencies (Mobley, 1982a: 125). A diagrammatic illustration of the model can be seen below:

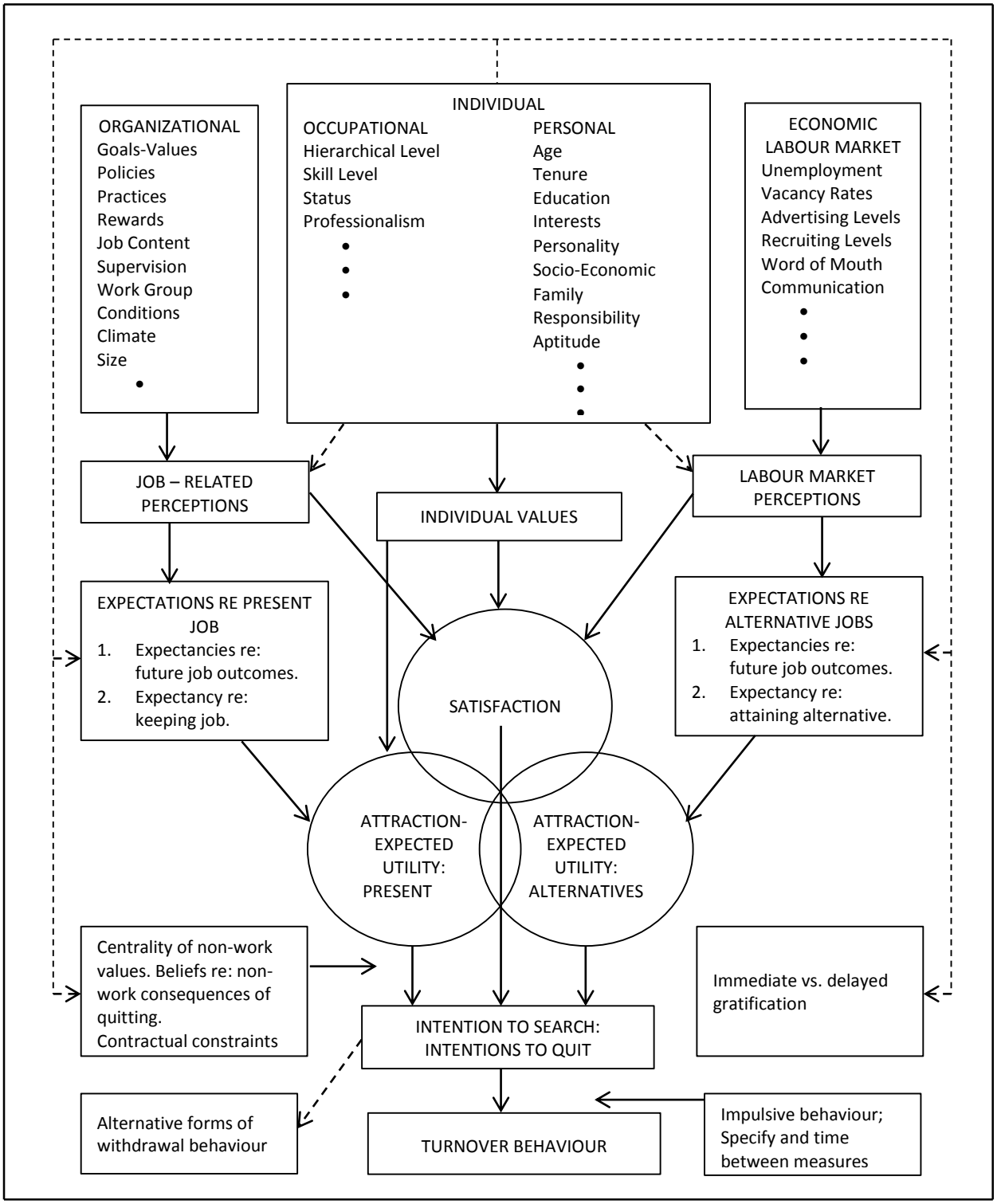

Figure 6: An expanded model of the employee turnover process (Mobley, Griffeth, Hand and Meglino, 1979 as cited in Mobley, 1982a)

Each of the four main determinants will be discussed in detail below.

10. Job satisfaction-dissatisfaction

As explained by Mobley (1982a), on the foundation of Locke's theory (1975, 1976), job satisfaction is indicative of a current assessment of the job based on the individual's values as well as what the employee perceives the job as supplying. Mobley (1982a) suggests that there are several characteristics of satisfaction that need to be highlighted in order to understand job satisfaction and its link to employee turnover. The first of these characteristics is that an employee's level of satisfaction will be largely dependent on their own particular values and thus satisfaction is a strongly individualised evaluation. The second characteristic is based on perception. Satisfaction is an evaluation related to what the individual perceives versus what their values are. Thirdly, it has been suggested that satisfaction is multi-faceted in nature. Satisfaction has been proposed to be a function of the degree to which the individual feels that their core values are being accomplished on the job. Lastly, it is suggested that satisfaction is an evaluation of the current situation and it does not take into consideration future circumstances.

As explained by Hom et al (1984), dissatisfaction is thought to encourage feelings in favour of exiting an organisation which consequently results in an individual assessing the potential effects of seeking alternative employment outside the organisation. If a dissatisfied individual is of the opinion that a suitable alternative can be found with minimal costs, then the individual will initiate a job search process. If the individual finds a suitable alternative, and a comparison between the alternative and the current employment situation yields in favour of the alternative, the employee is then most likely choose to leave the current organisation.

11. Expected Utility of Internal Work Roles

As explained by Hom and Griffeth (1995), Mobley (1979) indicates that this determinant of turnover behaviour encompasses the expectations of the individual with regards to either positive or negative prospects that they foresee, as well as their expectation that they will remain in their existing job.

Because the expected utility of internal roles considers future outcomes, it has been suggested that it provides an explanation for why job satisfaction is an imperfect predictor of employee turnover.

- **Expected Utility of External Alternative Work Roles**

  This determinant of turnover emphasises the employees' evaluation of their current job in relation to a job external to the present organisation. This evaluation is based on the employees' work values and a comparison between their expectation of achieving these values in their current job versus an external job (Mobley, 1982a).

12. Non-work Values and Roles

As explained by Mobley (1982a), the first three determinants of turnover are largely based on an employee's values in relation to a work situation. Consideration however, is not given to values outside the work spectrum. This specific determinant encompasses those elements that are not related to work values or work roles but may still however impact an employee's turnover decision. With that said, one challenge related to this determinant however is the scope of variables that are considered to fall into the non-work values and roles domain (Cohen, 1997). As highlighted by Cohen (1997), much of the research that has considered non-work values and roles has related to the family sphere (Blegen, Mueller, & Price, 1988; Mobley, 1982; Sussman & Cogswell, 1971; Muchinsky & Tuttle , 1979; Porter & Steers, 1973; Good, Sisler, & Gentry, 1988; Price & Mueller, 1981) however consideration also needs to be given to other spheres of non-work values and roles that may impact employee turnover.

Despite this argument, there is agreement amongst the researchers in this field of the impact of non-work values and roles on employee turnover (Cohen, 1997).

13. Evaluation of the Extended Mobley et al Model

According to Hom and Griffeth (1995), the extended turnover model presents a multivariate and reasonable explanation as to why dissatisfied employees do not immediately engage in turnover behaviour. Furthermore, there is an emphasis on the potential impact of non-work factors on turnover decisions which has been widely accepted in turnover research.

This model has several advantages that have been underlined in the literature; the first of which relates to the fact that the model is based on an individual's assessment of their own job, as well as a comparison with specific personal values (Mobley, 1982a). This is an advantage because unlike other turnover models, this model emphasizes the element of individual difference (Morrell et al., 2001a). A second advantage as pointed out by Morrell et al (2001a), relates to the consideration that certain situations are given in impacting satisfaction. Furthermore, the model emphasizes the importance of employee perceptions and expectancy. The inclusion of the elements of expected utility for both internal work roles and external alternative work roles is more comprehensive in its assessment of the satisfaction construct (Morrell et al., 2001a).

Notwithstanding the above, there are several limitations of this model which have been raised in the literature. One such limitation is as a result of the intricacy and exhaustiveness of the model. Because of the consideration of a wide number of variables, including individual, environmental and organisational variables, the assessment of such a complex model will be challenging (Mobley, 1982a). A second limitation which has been highlighted relates to the assumption that intention to quit is an immediate precursor to turnover behaviour (Morrell et al., 2001a:237). This assumption has been under some scrutiny and thus challenges the legitimacy of this model (Morrell et al., 2001a).

This chapter focuses on the aspects of employee turnover that are of relevance for this research paper. The proceeding chapter links the sections of job performance and employee turnover explains the relationship between the two constructs as hypothesized by Jackofsky.

CHAPTER 4: THE PERFORMANCE – TURNOVER RELATIONSHIP

Across multiple fields of studies, various researchers have sought to establish a set of criteria which could assist in the prediction of employee turnover in an organisation (Salamin & Hom, 2005). Employee turnover, a phenomenon that has traditionally been viewed as a negative incidence for organisations due to the costs that have been associated with it, is now being viewed in a different light (Dalton, 1981; Dalton & Todor, 1979; Dalton & Todor, in press; Muchinsky & Morrow, 1980; Muchinsky & Tuttle, 1979; Staw, 1980; Staw & Oldham, 1978, as cited in Dalton et al., 1982). Chapter 3, section 3.6 showed that turnover is considered to be dysfunctional when those that are leaving the organisation are lucrative individuals who have unique knowledge, a distinctive skills set and/or have widespread customer networks (Baron, Hannan, & Burton, 2001; Coff, 1997; Cooper, 2001; Dalton, Todo & Krackhardt, 1982; Heyes & Schaefer, 1999; Lazear, 1988 as cited in Salamin & Hom, 2005). However, it has been widely acknowledged that the costs and true organisational impact of employee turnover cannot be determined without sufficient consideration of the performance level of the exiting employee (Bordeau & Berger, 1985 as cited in Williams & Livingstone, 1994). A company that loses a higher number of its top performers has more cause for concern than one that loses a higher number of poor performers (Mohammad & Nathan, 2008). The loss of poor performers may result in an increase in organisational productivity whilst a loss of top performers could be detrimental to the success of the organisation (Schwab, 1991). It is thus vital to understand the performance levels of staff that are leaving the organisation in order to determine whether the consequences of such turnover have been positive or negative.

Although there have been many studies that have sought to establish a relationship between job performance and employee turnover, the results of these studies have been inconsistent and inconclusive (Jackofsky, 1984). Positive, negative and curvilinear performance-turnover relationships have all been found in various studies (Jackofsky, Ferris & Breckenridge, 1986), however what this

highlights is that the nature and direction of this relationship is largely ambiguous (Iverson & Derry, 2000). The lack of consistency in the results has been attributed to both methodological and conceptual factors (Birnbaum & Somers, 1993). Several scholars have argued that only testing for a linear relationship fails to take into account the complexity of the performance - turnover relationship which could lead to reporting bias (Schwab, 1991 ; Williams & Livingstone, 1994 as cited in Hochwarter, Ferris, Canty, Frink, Perrewea & Berkson, 2001). Moreover, new conceptual outlooks suggest not only a curvilinear relationship between performance and turnover, but also a probable interaction between job performance and job satisfaction (Birnbaum & Somers, 1993).

Although the results of the studies that have tested the performance-turnover relationship have been inconsistent, each study conducted has contributed to the body of knowledge surrounding these constructs. Thus, each proposed relationship will be discussed in further detail below.

4.1. The Negative Performance - Turnover Relationship

A negative relationship between job performance and employee turnover is indicative of an association whereby when the performance of an individual decreases, the likelihood of that individual leaving the organisation increases (Jackofsky, Ferris & Breckenridge, 1986). Evidence in support of this relationship has been found in numerous studies and dates as far back as 1949 (Giese & Ruter, 1949 as cited in Jackofsky, 1984). In most cases, the explanation for this type of relationship is grounded in the desirability of movement factor which was proposed in the March and Simon (1958) model[1].

The performance appraisal process has been cited as a factor that prompted poorer performing individuals to leave an organisation (Jackofsky, 1984). It was suggested that low performers often

[1] See section 3.9.1 in Chapter 3

experience heightened levels of stress and anxiety with regards to the performance review process (Jackofsky, 1984). A negative performance appraisal can be a taxing experience and as such, increase the desirability for a poor performer to leave the organisation. Moreover, stressful events in one's work and personal life may prompt an individual to search for more role-relevant employment opportunities (1982, as cited in Keller, 1984). This argument is extended further by Allen and Griffeth (1999) who suggest that substandard performance often results in an individual questioning the essential worth of a job, thus causing increased frustration and anxiety. Individuals are often aware that a negative performance review can result in a dismissal (Jackofsky, 1984) and as such, the increase in pressure may cause the individual to search for other available employment opportunities as a mechanism to evade a difficult situation at work (Keller, 1984).

The second rationalisation for the negative performance - turnover relationship is based on a 'casual chain from performance, to satisfaction, to intentions to leave, to actual turnover' (McEvoy & Cascio, 1987:758). Performance and satisfaction have commonly been found to be positively related (1987) and it has been suggested that satisfied individuals often endeavour to repay their benefactors (Organ 1977 as cited in Lorenzi, 1978). Furthermore, the relationship between intention to leave and actual turnover is typically positive, whilst the relationship between satisfaction and intent to leave or actual turnover is predominantly negative (McEvoy & Cascio, 1987). Johnson, Griffeth and Griffin (2000) have gone as far as to suggest that the most accurate predictor of turnover frequency is an individual's intention to quit whilst Futrell and Parsuraman (1984 as cited in Johnson et al., 2000) have suggested that certain components of job satisfaction were accurate predictors of an individual's inclination to engage in turnover behaviour. Based on the previous research that has been done that supports these relationships, a negative performance-turnover relationship seems somehow logical (McEvoy & Cascio, 1987).

4.2. The Positive Performance – Turnover Relationship

The above provides a convincing argument in support of the negative relationship between job performance and employee turnover, however there exists an equally convincing argument for a positive relationship between these two constructs. In contrast to the negative relationship, the positive performance-turnover relationship is indicative of a relationship whereby when the performance of an individual increases, the likelihood of employee turnover also increases (Jackofsky et al., 1986).

The foundation for the theory of a positive performance – turnover relationship also has its roots in the March and Simon (1958) employee turnover model. Based on this model, employees that are better performers should be more employable in the external job market (Schwab, 1991) and thus should be more likely to find alternative employment (Dreher, 1982). Individuals with high performance levels are suggested to have a higher perceived and actual ease of movement thus resulting in greater turnover (Dreher, 1982). Evidence in support of this relationship has been found in a study conducted by Mathieu and Baratta (1989) who found that top performing employees had greater career prospects and thus had a higher propensity to leave the organisation.

The positive association between performance and turnover has particular relevance as it is this relationship that underpins the first hypothesis suggested in this study. In proposing an hypothesis relating to the relationship between job performance and employee turnover, consideration was given to the fact that the sample used in this specific study consisted of individuals employed in organisations all operating in South Africa. It was thus important to consider the implications of the South African business context. Research relating to the labour force in South Africa suggests that the high unemployment rate still remains one of the country's biggest concerns (Kingdon & Knight, 2004). Moreover, this problem is compounded by the fact that there seems to be a persistent shortage of suitable skills in the current labour force (www.labour.gov.za). Whilst it is been widely acknowledged

that skilled human capital is a key differentiating factor in the success of an organisation (Samuel & Chipunza, 2009), South Africa is a country that has a high demand for skilled and experienced labour, yet a high supply of unskilled labour (www.labour.gov.za). It is thus suggested that high performing and talented individuals are in high demand in the country and thus, according to the March and Simon (1958) model of employee turnover, these individuals should have a higher perceived ease of movement. Furthermore, the demand for these scarce skills may increase the likelihood of unsolicited job offers, thus improving both an individual's ease and desirability of movement. Based on this and the theory that has been reviewed, the following hypothesis is proposed:

H_1: Higher levels of job performance are more likely to result in higher levels of employee turnover

Taking into consideration various factors, it is believed that this hypothesis is a true reflection of the relationship between job performance and employee turnover in the context of this study. There is however, one relationship that has been found in other studies that has yet to be discussed. The curvilinear relationship between job performance and employee turnover will be discussed in section 4.3 below.

4.3. The Curvilinear Relationship Performance – Turnover Relationship

The curvilinear model proposed by Jackofsky (1984) incorporates both of the above positive and negative interactions and suggests that the relationship between performance and employee turnover creates a curvilinear, U-shaped graph. Jackofsky (1984) hypothesized that because poor performers often feel a real or perceived danger of dismissal, the relationship between performance and turnover was inversely related for poor performers. In contrast, she theorised that the relationship between performance and turnover would be positively related for top performers who would most likely have other alternative employment opportunities available.

The following sections discuss the curvilinear model in segments beginning with employee turnover.

4.3.1. Employee turnover in the Jackofsky Model

The fundamental and central feature of employee turnover in the Jackofsky model is based largely on the conceptions which were initially proposed in the turnover model by March and Simon (1958). There are however some fundamental differences that must be highlighted between the two models. The first is that whereas the March and Simon (1958) model is largely used to predict organisational withdrawal, the model proposed by Jackofsky (1984) is predominantly used to predict job turnover. Secondly, the apparent prospect of intraorganisational movement is considered as an antecedent to the desirability of movement in the March and Simon (1958) model, however there has been little research published to support this proposition (Jackofsky, 1984). The Jackofsky model, on the other hand, extends the concept of turnover to incorporate both intraorganisational and interorganisational movement (Jackofsky, 1984). By including both movements within the organisation, as well as movements out of the organisation, it was anticipated that the model would provide a more holistic representation of employee turnover (Jackofsky, 1984).

Figure 7 provides a simplistic diagrammatic representation of the model of employee turnover as suggested by Jackofsky (1984):

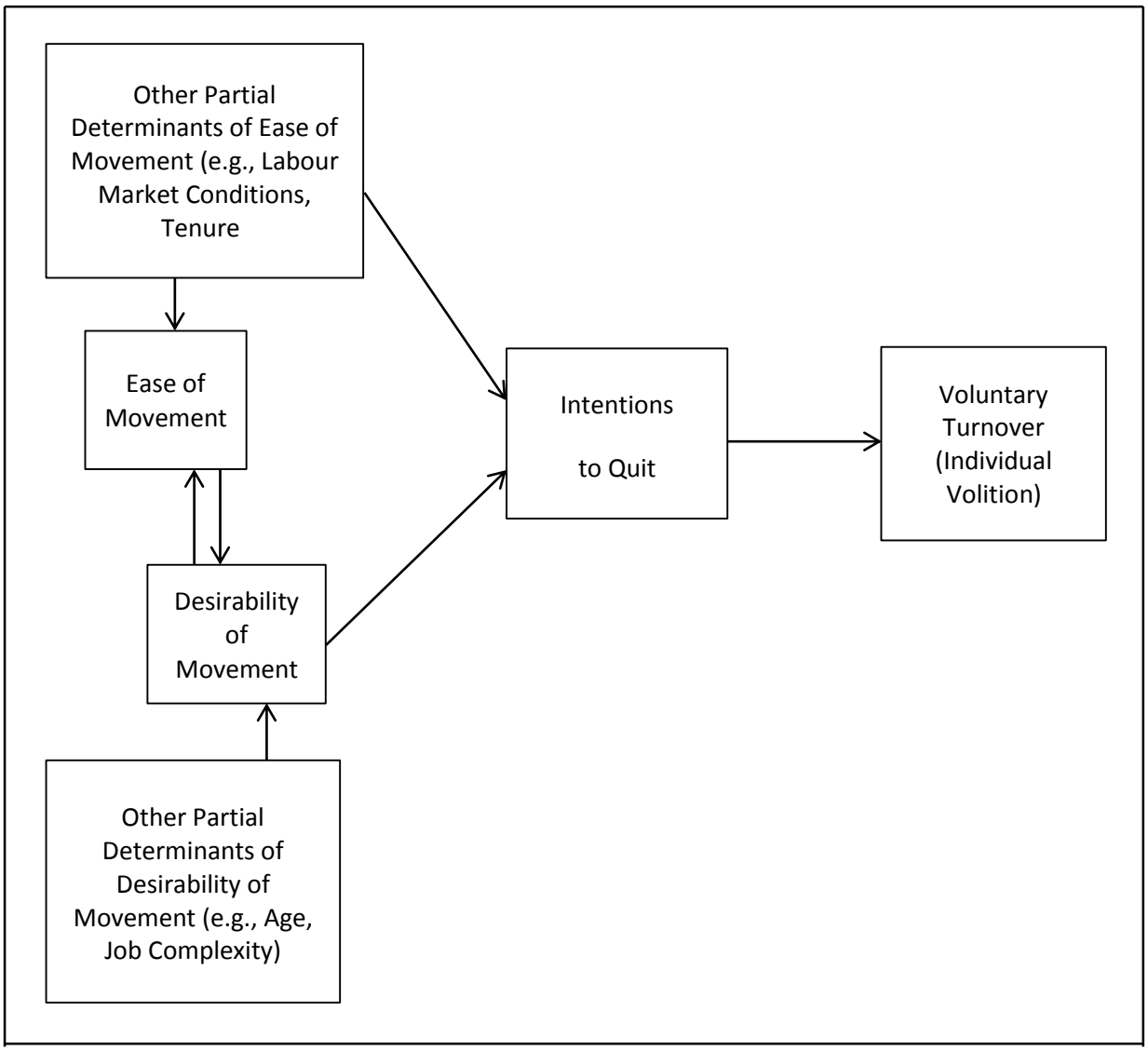

Figure 7: Basic Model of Employee turnover (Jackofsky, 1984)

Although not reflected in the above diagram, the perceived desirability of movement has, over time, become synonymous with job satisfaction (Jackofsky & Peters, 1983 as cited in Lee & Mitchell, 1994) and the perceived ease of movement has become synonymous with the number of job options available (Lee & Mitchell, 1994).

As is evident in Figure 7, consideration is given to other partial factors that are thought to influence both desirability and ease of movement (Jackofsky, 1982 as cited in Jackofsky, 1984). In the case of ease of movement, recognition is given to factors such as personal characteristics, labour market

conditions and other elements that may impact one's ease of movement (Jackofsky, 1984). In contrast, aspects such as personal and job characteristics have been revealed to have an impact on desirability of movement (Jackofsky, 1984).

In addition to the above, Jackofsky has included another factor, intention to quit, in the model of turnover as a precursor to turnover (Jackofsky, 1984). The inclusion of this element was based on the research of Locke (1969, as cited in Jackofsky, 1984) who suggested that creating an intention is an immediate precursor to actual behaviour. This theory is supported by Fishbein and Ajzen (1975 as cited in Zimmerman & Darnold, 2009) who, in their focus on behavioural attitudes, hypothesize that the most accurate predictor of behaviour is the intention to engage in that behaviour. In light of the model presented above, this would transpire into an individual having an intention to leave an organisation prior to actually engaging turnover behaviour.

The above focuses on the element of turnover in its entirety, however, Jackofsky's model includes one other central element; job performance. The following sections discuss the element of performance with regards to voluntary and involuntary employee turnover as defined in the Jackofsky model.

4.3.2. Performance and Desirability of Movement

The relationship between job performance and the desirability of movement has been subject to some scrutiny in the past (Jackofsky, 1984). Brayfield and Crockett (1975 as cited in Petty, McGee & Cavender, 1984) were the first authors to conduct an extensive literature review in this area. Based on this research, they were not convinced of the nature of the relationship between satisfaction and performance. However, despite these findings, a relationship between the two concepts has been found under certain conditions in other studies (Jackofsky, 1984). Factors that have been proven to be moderator variables of the two constructs include:

- Stimuli associated to the job such as performance based reward systems (Lawler and Porter, 1967), task structure (Downey, Sheridan and Slocum, 1975) and leader behaviour (Slocum, 1971).
- Individual differences such as self-esteem (Greenhaus & Badin, 1974) and ability (Carlson, 1965). (as cited in Jackofsky, 1984)

Jackofsky (1984 as cited in Sager, Futrell & Varadarajan 1989) proposes that if job-related stimuli such as rewards are largely linked to performance, then the better the performance of an individual, the higher the levels of satisfaction and the less likely they will be to leave. In contrast, it is suggested that should rewards not be linked to performance, top performing employees will be less satisfied and thus more likely to exit the organisation.

In light of the above, it has been suggested that performance does have an impact on desirability of movement, however the impact will be indirect due to the moderating variables of job-related stimuli and individual differences as discussed (Jackofsky, 1984).

4.3.3. Job Performance and Ease of Movement

In contrast to the relationship suggested above, the relationship between performance and ease of movement is hypothesized to be a direct relationship (Jackofsky, 1984). This is based on the premise that if an individual is a top performer, they should be more likely to find other suitable alternatives either within the business, or in another business (Jackofsky, 1984). Although not a direct comparison, it has been found that task related abilities and expectancy of finding other employment are positively related (Jackofsky & Peters, 1983). Whilst this describes the direct relationship between performance and ease of movement, an indirect relationship has also been hypothesized (Jackofsky, 1984). Jackofsky predicted that unsolicited job offers would impact one's perception of available job opportunities, thus impacting one's perception of ease of movement (Jackofsky, 1984).

4.3.4. Performance and Involuntary Turnover

The above discusses the potential relationships between performance and voluntary turnover. Consideration of voluntary turnover is common in most turnover models, however a differentiating factor in the Jackofsky (1984) model of turnover is that it takes involuntary turnover into consideration (Allen & Griffeth, 1999).

It has been suggested that individual performance could more likely be used to predict involuntary turnover than voluntary turnover (Stumpf & Dawley, 1981). This is based on the premise that it is not uncommon for an employer to terminate an employee as a result of poor performance (Wanous, Stumpf & Bedrosian, 1979 as cited in Jackofsky 1984). However, Jackofsky (1984) also proposed that, in some cases, employees are aware that they can be terminated at any time due to their substandard performance. This places them under pressure and in certain circumstances causes them to exit an organisation without any consideration of their alternatives. Furthermore, Kraut (1975:236) suggested the idea of a 'mutual agreement' between the employer and the poor performing employee. This generally means that the employee has been performing poorly and allows the employee to leave the organisation as if they had resigned rather than been dismissed due to poor performance. The employee is thus saved from the awkwardness of being dismissed and in some cases will still be entitled to severance pay (Kraut, 1975). This type of turnover has been termed 'nonvolitional' and is indicative of those types of turnover that have been recorded as voluntary, but however, are ultimately involuntary in nature (Williams & Livingstone, 1994:271).

Figure 8 below provides a diagrammatic representation of the incorporation of job performance into the turnover model as discussed above:

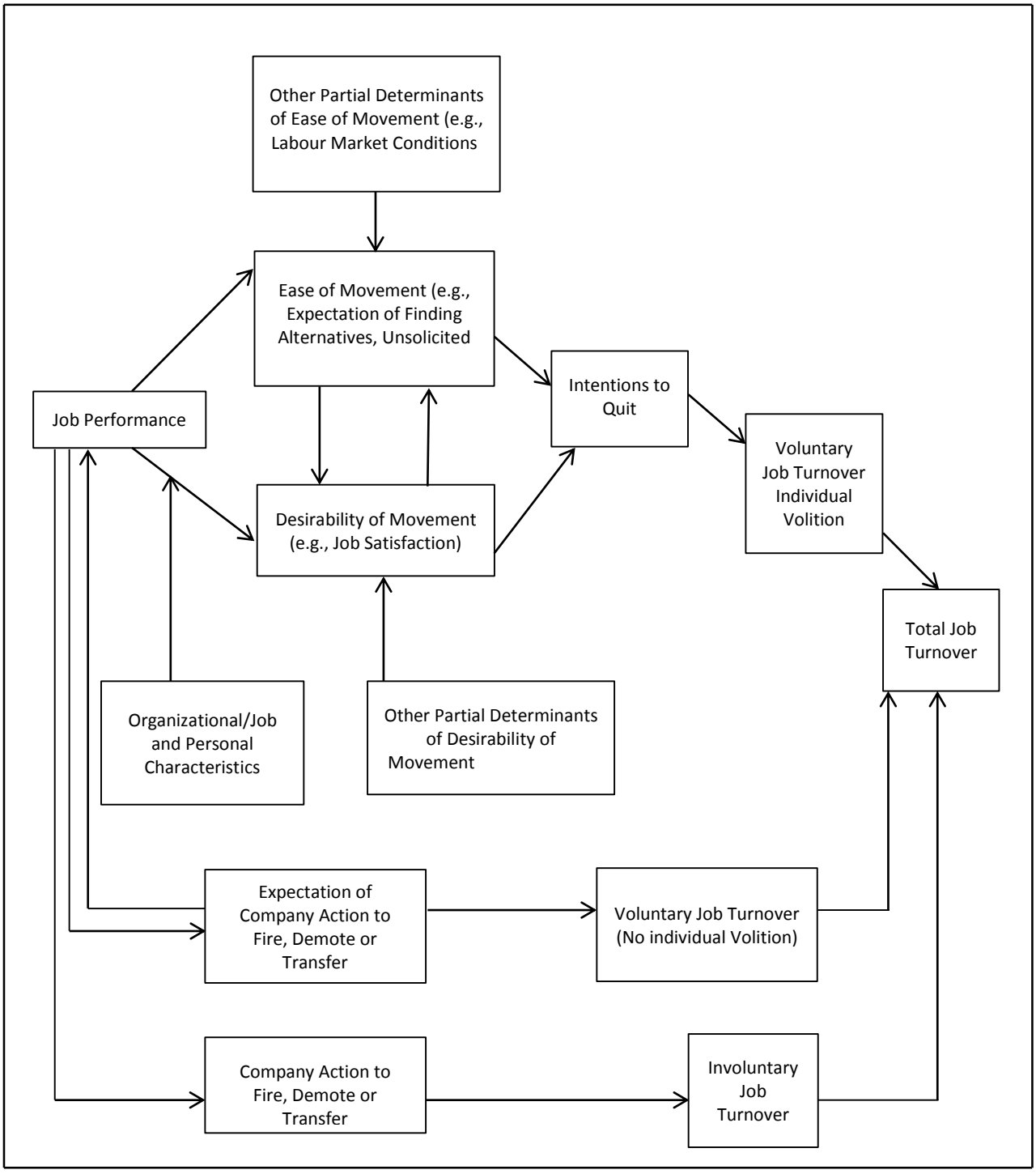

Figure 8: Diagram Illustrating the Integration of Job Performance in the Process Model of Turnover (Jackofsky, 1984)

According to Jackofsky (1984) and based on the above model, it is proposed that job performance and voluntary turnover are positively related. Top performing employees will have greater ease of

movement and thus will be more likely to engage in turnover behaviour than poor performing employees. In contrast, it is suggested that individual performance is negatively related to involuntary turnover and non-volitional turnover as defined by Kraut (1975) above. This implies that not only are poor performers more likely to be dismissed by their organisations, but that they are also more likely to leave their employment due to the stress of the possibility of termination (Jackofsky, 1984)

Stemming from this, Jackofsky (1984) predicted that performance and turnover are related in a curvilinear fashion in the following manner:

1. Low performers are forced to exit the organisation
2. Average performers remain with an organisation due to a low level of ease of movement
3. High performers have a high ease of movement and thus turnover increases.

The relationship between performance and turnover as proposed by Jackofsky (1984) can be illustrated in a graphic form as seen in figure 9 below:

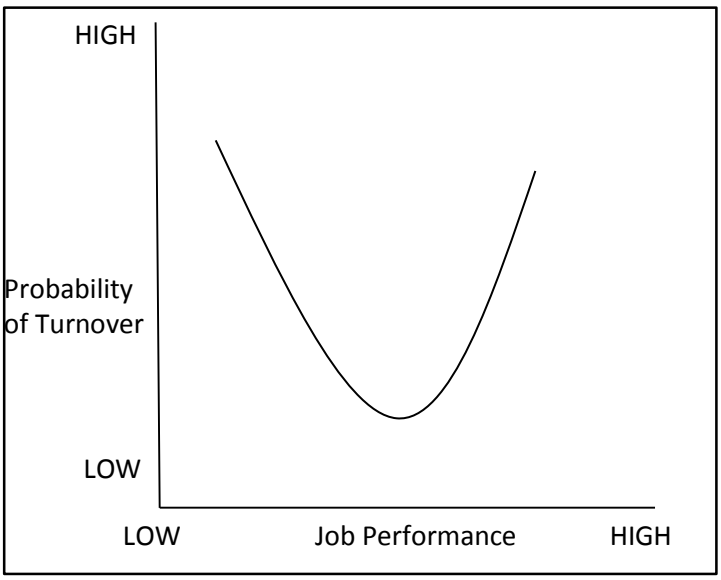

Figure 9: Graph illustrating the predicted relationship between performance and turnover (Jackofsky, 1984)

4.3.5. Evaluation of the Jackofsky Model

Whilst the positive and negative relationships between job performance and employee turnover have been well researched, there exists a group of researchers who believe that there is no relationship between job performance and employee turnover. Jackofsky (1984) summarises these findings by highlighting that studies have been conducted in the fields of scientists and engineers in the electronic industry (Farris, 1971), production workers (Leviatan, 1978), nurses (Martin, Price & Mueller, 1981, Sheridan & Vredenburgh, 1979) and clerical workers (Bluedorn & Abelson, 1980). Each of these studies concluded that there was no performance-turnover relationship. With that said, one of the explanations which has been provided as to why the results established in performance-turnover relationship studies have been so diverse, has been attributed to the nature of the samples which were tested (Jackofsky et al., 1986). Although research has been conducted on the relationship between the two constructs for professional employees, little consideration has been given to employees at other levels (Jackofsky et al., 1986). In an attempt to bridge this gap, a study was undertaken to test the curvilinear model of performance and turnover in two diverse groups of employees. The study used two samples which included a range of both lower level and upper level employees. The first sample consisted of male accountants, and the second of truck drivers (Jackofsky et al., 1986). The results of this study support the curvilinear relationship between performance and turnover as suggested by Jackofsky (1984), however there is one other interesting finding which must be highlighted. The results also showed that turnover rates were greater for lower performing employees than for their higher performing counterparts. What this implies is that although the relationship between performance and turnover was found to be curvilinear, the graph is somewhat skewed.

Also in support of the Jackofsky curvilinear turnover model is Mossholder, Bedeian, Norris, Giles and Feild (1988). Their study also consisted of two samples. The first consisted of 220 operative employees that were employed at an electronics manufacturing plant and used behavioural intentions as a

measurement for turnover. The second sample consisted of 365 employees that were employed by a textile manufacturing company. In contrast to the first sample however, actual turnover was used as a measure of turnover. The results of both samples were in support of the curvilinear hypothesis.

There also exists some research that is not in support of the curvilinear model. For example, Mathieu and Baratta (1989) found no evidence to support the curvilinear relationship between performance and turnover. Their sample consisted of employees of a large banking company located in Northern Virginia and Washington DC. The lack of findings in this particular study was attributed to methodological and substantive factors. Furthermore, Vecchio and Norris (1996) also found no evidence to support the curvilinear relationship as proposed by Jackofsky. In contrast to the context of Mathieu and Baratta (1989) study however, the sample of this study was 105 full time nursing staff employed at a private hospital.

Despite this, the model still remains supported by many and is a vital component in the body of knowledge in the areas of job performance and employee turnover. Although this model has its place in the literature, a specific hypothesis relating to this relationship has not been proposed in this study for various reasons. Firstly, the performance – turnover relationship proposed by Jackofsky (1984) is rooted in the American context. The South African labour context is different from that of American in that the labour law in South Africa is in favour of the employee, not the employer. In South Africa, dismissing a poor performing employee for poor performance requires an employer to follow a lengthy process. Furthermore, the presence of labour unions makes it a difficult task for an employer to dismiss an employee for reasons relating to performance.

Because of the differing contexts, linear performance – turnover hypotheses have been proposed in this study however, the curvilinear relationship will still be tested for.

Also of importance in the performance-turnover relationship is that of moderating variables. These will be discussed in detail below.

4.4. Moderating Variables in the Performance-Turnover Relationship

There are many variables which have been established in various studies that are thought to moderate the performance-turnover relationship. For instance, Allen and Griffeth (1999) suggest that there may be alternative contextual variables that impact the nature of the relationship between performance and turnover. What this highlights is that the performance-turnover relationship cannot be studied in isolation. Each of the moderator variables relevant to this study will be discussed below.

4.4.1. Labour Market Conditions

Birnbaum and Somers (1993) test linear and curvilinear aspects of job performance in relation to employee turnover. The results show no support for either the linear or the curvilinear hypothesis and the researchers concluded that there was no relationship between the two constructs in this particular study. One of the explanations provided by the authors was that the labour markets conditions at the time may have impacted the study. Birnbaum and Somers (1993) explained that a high demand and low supply may have affected organisations decisions to terminate poor performers which in turn impacted the relationship between performance and turnover. Gerhart, Boudreau and Trevor (1995) furthered this argument by suggesting that the unique market conditions could have resulted in increased ease of movement for both low and high performers thus impacting the turnover behaviours of these employees. They went on to explain that upon investigation it was found that one of the consequences of a competition war for staff was that inflated salaries were being offered to individuals. Gerhart et al (1995) suggested that this could have potentially increased the desirability of movement for both high and low performers and this could have impacted the performance - turnover relationship.

The above studies highlight that the relationship between performance and employee turnover is somewhat dependant on the conditions of the labour market (Jackofsky and Slocum, 1987). In addition to the findings of the above studies, Jackofsky and Peters (1983) suggest that it is to be expected, based on March and Simon's turnover model, that an individual is more likely to leave an organisation if there are actual alternative employment options available. Keller (1984) supported this prediction by highlighting that when job prospects are scarce, low performers that may prefer to leave an organisation are forced to remain with the organisation due to lack of other alternatives.

4.4.2. Performance-Based Rewards

In explaining the moderator variable of performance-based rewards, it is essential to refer back to two models which have been discussed in earlier Chapters; the March and Simon (1958) model of employee turnover and the Lawler and Porter (1967) model reflecting the impact of performance on job satisfaction. In the turnover model, one of the factors suggested to influence the perceived desirability of movement is that of job satisfaction (March and Simon, 1958). Furthermore, in the theoretical model proposed by Porter and Lawler (1967), if an employee is a good performer, (s)he would receive intrinsic and extrinsic rewards, and, should they perceive these rewards to be fair, his/her satisfaction level should increase. Dreher (1982) suggests that when pay for performance is implemented correctly, the top performers of the company will receive greater rewards. He goes on to argue that, based on the argument presented by Locke (1969) which suggests that satisfaction is determined by the perceived difference between what a person desires and what is actually received, greater rewards will often be associated with greater levels of satisfaction. This argument is further reinforced by Mossholder, Bedeian, Norris, Giles and Feild (1988) who indicate that with a performance-based reward system, good performers will likely be rewarded with pay and promotions which will increase their satisfaction and decrease their likelihood of leaving the organisation. Williams and Livingstone (1994) predicted, and found evidence to suggest that when good performers receive more rewards that poor performers, they are less likely to leave the organisation. On the contrary,

when poor performers receive fewer rewards, they are less satisfied and are more likely to quit. Thus, as argued by Dreher (1982), performance-based rewards systems decrease the attractiveness of leaving for high performers thereby reducing dysfunctional turnover. In contrast, lower performing individuals will receive fewer rewards due to substandard performance thus prompting them to resign and leave the organisation.

4.4.3. Age

Another factor that is considered to substantially moderate the relationship between performance and turnover is that of age (Werbel & Bedeian, 1989). Whilst previous research has suggested that older and poorer performing employees are less likely to leave an organisation due to the difficulty they may encounter in finding alternative employment, Werbel and Bedeian (1989) found results to the contrary. They suggest that there is a possibility that older employees are well aware when there are limited opportunities for career advancement within an organisation. This may cause dissatisfaction and prompt the older employee to exit the organisation.

Although unclear as to how age impacts the performance – turnover relationship, previous research has indicated that age does in fact have some impact.

4.4.4. Nature of the Job

The nature of a job, much like performance-based rewards, is a factor which is also thought to impact satisfaction and thereby impact the desire of an individual to leave an organisation. Jackofsky and Peters (1983) suggest that an individual's ability level influences their level of job satisfaction based on whether the job is repetitive and monotonous or challenging. Furthermore, according to Wright and Bonnet (1993), bureaucratic jobs that involve numerous rules and procedures create a perception that employees' growth capabilities are not being utilised which may impact the employees' job

satisfaction. A change in the level of job satisfaction will impact the employees desire to leave the organisation, thereby moderating the relationship between performance and turnover.

4.4.5. External Visibility of Performance

According to Dreher (1982), organisations that do not offer employees performance-based rewards but whose employee performance is clearly visible to other potential employers, will find it more difficult to retain their top performing employees. He argues that this type of circumstance is particularly pertinent in academic settings where performance is measured on the number of publications released. Information regarding publications is readily available to the external market and potential employees can easily assess the performance of an employee in the academic industry. In contrast, performance appraisals in the business environment are conducted internally and information regarding the performance of employees is not visible to the external market. In this case, potential employers will struggle to obtain accurate information regarding the performance of an individual.

It is vital to highlight that there are many moderators that have been established in the literature and not all these moderators have been discussed in this chapter. Rather, the moderators of most relevance in light if this study have been discussed.

CHAPTER 5: TURNOVER DESTINATIONS

Research in the field of employee turnover, a phenomenon which has until recently had a negative connotation, has focussed largely on establishing a set of factors that would assist in predicting employee turnover. To this end, various turnover models have been proposed and the commonality in each of these models is that they seek to forecast employee turnover (Kirschenbaum & Weisberg, 2002). This is however where traditional turnover research ends. Recent developments in the field suggest that turnover is a two part process that involves not only leaving a job, but also selecting an alternative destination to which to move to (Mossholder et al., 1988). With that said however, little consideration is given to the impact of the destination choice that an individual chooses on employee turnover. There is an assumption that the individual is searching the job market for alternative employment opportunities, however, little attention is given to choice of destination or the characteristics of the chosen destination (Kirschenbaum & Weisberg (2002). Mano-Negrin and Tzafrir (2012) propose that employees consciously choose a target for their search activities and these will either be within or out of the organisation. They argue that the direction represents the perceived ease of movement into or within various labour markets. Secondly, they believe that individuals make a conscious decision regarding the intensity of their job search. They go on to argue that the differences in job search direction and intensity are relevant in making a turnover decision and are affected by individuals and organisation level factors.

Turnover destination is a relatively new concept in the turnover field and hence there is limited research to draw from. Moreover, the concept of turnover destinations has received little attention in South Africa and hence this portion of the research will add to the body of knowledge in the South African context. Kirschenbaum, Weisberg and Mano-Negrin are the main theorists in this field and therefore it is their research that will largely be drawn upon for this study.

5.1. Alternative Destination Choices

Employee turnover has been commonly defined as 'the movement of individuals in the labour market including the movement between organisations and professions; and amongst conditions of employment and unemployment' (2000, as cited in Stovel & Bontis, 2002:305). This definition is aligned with initial turnover research, however it fails to take into account the view that the selection of a new destination is also part of the holistic turnover process. Kirshenbaum and Weisberg (2002) highlight that when an employee decides to leave a job, there are a variety of subsequent destination possibilities that exist, based on a combination of job, division and organisation. They go on to argue that there are three broad categories of destinations that an employee may move to;

- Moving within the existing organisation (internal movement)
- Moving out of the current organisation to another organisation (external movement)
- Exiting the labour market

Each of these destination choices will be discussed in further detail below.

5.1.1. Internal movement within an organisation

Although turnover has been viewed in a largely negative light, an internal move, otherwise known as internal mobility or employee transfers, does not have the same damaging reputation (Dalton, 1997). On the contrary, intraorganisational moves are often considered to be indicative of organisational flexibility and a sign of emphasis on employee development (see Brett, 1984; Brett, Stroh & Reilly, 1993; Tsui, Pearce, Porter and Hite, 1995 as cited in Dalton, 1997). Although not the focus in this paper, internal moves within an organisation still form an important part of the turnover destination literature and hence will be discussed briefly.

The destination opportunities that are available if the employee decides to move internally are defined as all those jobs that exist within the given organisation (Kirschenbaum & Mano-Negrin, 1999), either at a different or the same geographic location (Dalton & Todor, 1993). Within the category of moving internally, an individual may choose to perform the same type of job in a different division, a different type of job in the same division or a different type of job in a different division (Kirschenbaum & Weisberg, 2002). What is common in each of these options is that the individual could have searched externally, however their preference was to move within the boundaries of the organisation (Dalton & Todor, 1993).

There are a variety of reasons that an employee may choose an intraorganisational move over any other destination choice. Fleeing from a hostile work situation, reducing travelling stresses and moving closer to a family member are some of the justifications for an internal transfer that have been cited in the literature (Dalton & Todor, 1993). Although an interesting area of research, the internal destination choice is not of particular relevance in this study. For the purposes of this research, external destination choices will be the primary area focus and hence will be discussed in further detail below.

5.1.2. External movement out of an organisation

When an employee decides to depart from the organisation where they are currently employed to move to a new organisation, the destination choice which is available to them is far wider than if they chose to move internally. The new role may or may not involve a job change (Feldman & Ng, 2007) and this will be discussed in more detail further on in this section. One of the aims of this study is to determine whether the job performance has an impact on turnover destination choice. Before discussing each of the destination choices associated with an external destination, the following general hypothesis is proposed:

H_2: The job performance of employees is significantly associated with turnover destination choice

The options available to an employee who is leaving an organisation involve either performing the same type of job in a different organisation, or performing a different type of job in a different organisation (Kirschenbaum & Weisberg, 2002). Moving to a different type of job implies that there have been considerable changes to the roles and responsibilities of the individual whereas moving to a different organisation is indicative of a situation whereby the individual is employed by a new employer (Feldman & Ng, 2007). Fields, Dingman, Roman and Blum (2005) suggest that this type of change involves a great deal of risk for an individual as they are not only choosing to leave the organisation, but also choosing a job that is dissimilar to their current role. The uncertainty for an individual choosing this destination choice is much higher than if an individual chose to move to a similar type of job in a different organisation or a different job in the same organisation.

In proposing an hypothesis relating to the destination choice of moving to a different job in a different organisation, various factors were considered in order to ensure that a realistic relationship between the constructs of performance and destination choice was put forward. Porter and Lawler (1967) suggest that when employees are performing well, they receive intrinsic and extrinsic rewards and, should they perceive these rewards to be fair they experience greater levels of satisfaction. With this in mind, in organisations where performance-based pay is implemented, poor performing individuals may quickly become dissatisfied (Williams & Livingstone, 1994). Moreover, poor performing individuals are often not the first choice for promotions. This, together with stressful performance reviews may prompt a poor performing employee to exit the organisation (Jackofsky, 1984) and choose a destination choice that is available to them.

In choosing a new destination to move to, an individual may take into consideration their lack of progression and rewards in their current job, as well as the negative feedback they may have received

due to their substandard performance. Underpinned by this, it is suggested here that an individual may choose a job that they feel they are more suited to, rather than moving into a similar job where they are likely to continue to underperform.

Based on this, the following hypothesis is proposed:

H_{2a}: Low performing individuals are more likely to move to a different job in a different organisation than to any other destination choice

The second external destination choice is that of moving to the same type of job in a different organisation. Research has shown that because of their superior performance, high performers are likely to be more employable in the external job market (Schwab, 1991) and are thus more likely to find alternate employment (Dreher, 1982). In looking for a suitable alternative to move to, high performers may consider the success they are experiencing in their current field of expertise. Whilst moving to a different type of job provides a poor performing individual an opportunity to find a new role that they may perform better in, moving to the same job in a different organisation may provide a high performing individual with an opportunity for upward mobility.

Based on this, the following hypothesis is suggested:

H_{2b}: High performing individuals are more likely to move to the same job in a different organisation than to any other destination

Apart from the above destinations, there is also the option of leaving the workforce and entering into a state of unemployment.

5.1.3. Leave the workforce

Leaving the workforce is the third destination choice to be considered in this study. When an individual choses to leave the workforce, they can do so either voluntarily or involuntarily. An involuntary separation from an organisation is indicative of a situation whereby an individual is unwillingly obliged to leave the organisation and frequently experiences some form of personal defeat (Forret, Sullivan & Mainiero, 2010). In contrast, when an individual voluntarily chooses to leave, it is their own decision to terminate their membership with the organisation and leaving the workforce is often seen as an opportunity to these individuals (Forret et al., 2010).

There are several reasons that may be considered to justify a turnover decision of leaving the workforce. However, what is important to note is that in some cases, this decision is not permanent and there may be a point where an individual choses to re-enter the workforce. One of the most common justifications for leaving the workforce relates specifically to females and the dual role which they face in managing a family and a career. Taking care of children or aging parents and the relocation of a spouse have been cited as pull factors to choose the destination choice of leaving the workforce (Cabrera, 2007). On the contrary, a supposed lack of career progression, discrimination and a dislike of the organisational culture, have all be cited as push factors in choosing to leave the workforce (Mainiero & Sullivan, 2005 as cited in Cabrera, 2007). In spite of this, research has shown that many women who elect to leave the workforce ultimately decide to return to work (Cabrera, 2007).

An example that reflects an involuntary decision to leave the workforce is in the case of dismissals or retrenchments. Because of the impact that high job performance can have on organisational success, retaining talent remains a key focus of organisations across the globe today. Employers are constantly trying to find new and innovative ways of retaining their high performers and replacing the low performers individuals with those who are of more benefit to the organisation (Hausknecht, Rodda & Howard, 2009). Dismissal, in some cases, occurs because an individual has not performed at the

required level thus making it more likely that this individual dismissed (Barrick & Zimmerman, 2009). Although a process must be followed to dismiss an employee, individuals dismissed for poor performance often do not have sufficient time to look for alternate opportunities and therefore by default, are forced to exit the workforce. In addition to this, an employee that has been dismissed due to poor performance may find it difficult to obtain alternate employment due to a negative reference from their employer. According to Nash and Carroll (1970), a reference check has two purposes. The first is that it aims to verify the information that a candidate has put on their résumé. Secondly, it is an instrument used to predict the future success of an individual in a particular job. A negative check may hinder a candidate's likelihood of getting a job.

Further to the above, individuals that are retrenched often find it challenging to secure alternative employment and therefore are forced into involuntarily early retirement, thereby leaving the workforce (Dorn & Sousa-Poza, 2010). With that said, there are instances where voluntary retirement is preferable for an individual and this would again be considered as voluntarily leaving the workforce.

Based on the above discussion, the following hypothesis is proposed:

H_{2c}: Poor performers are more likely to leave the workforce than to move to any other destination choice

The following section gives a brief overview of the turnover destination research that has been done to date.

5.2. A Review of Turnover Destination Research

One of the few studies that have been conducted in the field of turnover destinations was done by Kirschenbaum and Weisberg (2002). Their study consisted of two main hypotheses;

- An individual's internal or external destination choice is largely driven by different antecedent variables;
- Internal moves are more likely to be affected by organisation-based factors whilst external moves are more likely to be impacted by labour market forces.

The results of the study found no evidence in support of the second hypothesis. On the contrary, the study did produce results which were in support of the theorists' first hypothesis that destination choices are predicted by specific variables. Personal, job and organisation features were all found to impact the destination selection, however, no evidence was found to indicate that labour market aspects were influential in destination choice.

Further to the above, internal job factors and education level were both found to influence an individual's internal and external destination choice. The study showed that age and perceived success in the current job impacted destination choice.

In a study somewhat similar to the one conducted by Kirschenbaum and Weisberg (2002), Fields et al (2005) examined the variables that predicted leaving a job to move to one of three alternate destinations. The first hypothesis in this study considers the internal destination option and looks at the probability of an individual leaving their current job to take a different job in the same organisation. Various moderator variables were considered in this hypothesis, such as pay and benefits, employee tenure, education levels, job satisfaction, job stress, skills variety and autonomy and the unemployment rate. Despite this, effects were only found with regards to certain variables. The results indicated that the likelihood of this type of job move was increased by lower pay and benefits, lower job satisfaction, lower unemployment rates and higher employee education. All other moderators showed no significant impact.

In contrast to the first hypothesis, the second hypothesis in this study considers an external destination choice. The researchers hypothesize that the probability of an individual leaving a job and taking the same type of job in a different organisation will be increased by lower job security, less competent and concerned supervision, lower pay and benefits, lower current performance ratings, higher job skill variety and autonomy, higher job stress, lower overall job satisfaction, lower tenure, lower age, fewer family responsibilities and a lower unemployment rate. This hypothesis mirrors the hypothesis proposed in section 5.1.2 which suggested that lower job performance made the destination choice of moving to a different job in a different organisation more likely. The results of the study showed that the likelihood of this relationship will be increased by lower job security, lower satisfaction, lower age and tenure and higher job stress, more skill variety and autonomy and less competent supervision, however no significant results were found in terms of the impact of job performance.

The last hypothesis in this study is similar to that of the previous hypothesis in that an external destination choice is taken into consideration, however, instead of hypothesizing about the same type of job, this hypothesis looks at an individual moving from a current job to another type of job in a different organisation. Once again, various moderators such as job satisfaction, job security, working for a less competent and concerned supervisor, tenure, gender, family responsibilities and the unemployment rate were all tested for. The results however indicated that only job security, age and tenure would increase the likelihood of this relationship .

The above summarises the two main studies in the field of turnover destination theories. Other studies relating to job search modes have been conducted by Mano-Negrin and Tzafrir, however these studies are not relevant in this specific study. What is obvious about this review of the turnover destination research is that there is no review of turnover destination research done in the South African context.

This is largely due to the fact that turnover destination research in South Africa remains relatively unexplored and is an area that is well positioned for future research.

This chapter marks the end of the literature review for this study. All the research relevant to the three main constructs in this paper, namely job performance, employee turnover and turnover destination has been reviewed. The following section will discuss the methods that have been adopted in this paper.

CHAPTER 6: METHODOLOGY

This chapter discusses the methods that have been adopted in this study including the research questions, participants in the study, research design, measures, data capturing and analysis and the methodical limitations of the study.

6.1. Research Question

The literature highlighted in the preceding chapters, aims to position the concepts of job performance, employee turnover, turnover destinations, in terms of the research question. To summarise, many studies over the years have shown that job performance does indeed impact employee turnover (see Jackofsky, 1984 Jackofsky, Ferris & Breckenridge, 1986; John, 1993). The nature and direction of this relationship however, has proven to be quite a controversial topic with studies producing mixed results (Jackofsky, 1984). Nevertheless, there is widespread acknowledgement that job performance is one of the many factors that may impact an employee's decision to quit. Turnover destinations, in contrast to employee turnover, is a relatively new concept that highlights the influence that the antecedents of turnover may have on the destination that an employee choses, subsequent to leaving an organisation.

In light of the above, the research question which this study seeks to answer is:

Does employee turnover to alternate destinations differ by performance?

6.2. Summary of Hypotheses

Below is a summary of each of the hypotheses that have been proposed in this study:

H_1: Higher levels of job performance are more likely to result in higher levels of employee turnover

H_2: The job performance of employees is significantly associated with turnover destination choice

H_{2a}: Low performing individuals are more likely to move to a different job in a different organisation than to any other destination choice

H_{2b}: High performing individuals are more likely to move to the same job in a different organisation than to any other destination

H_{2c}: Poor performers are more likely to leave the workforce than to move to any other destination choice

These hypotheses are best illustrated by the following figure:

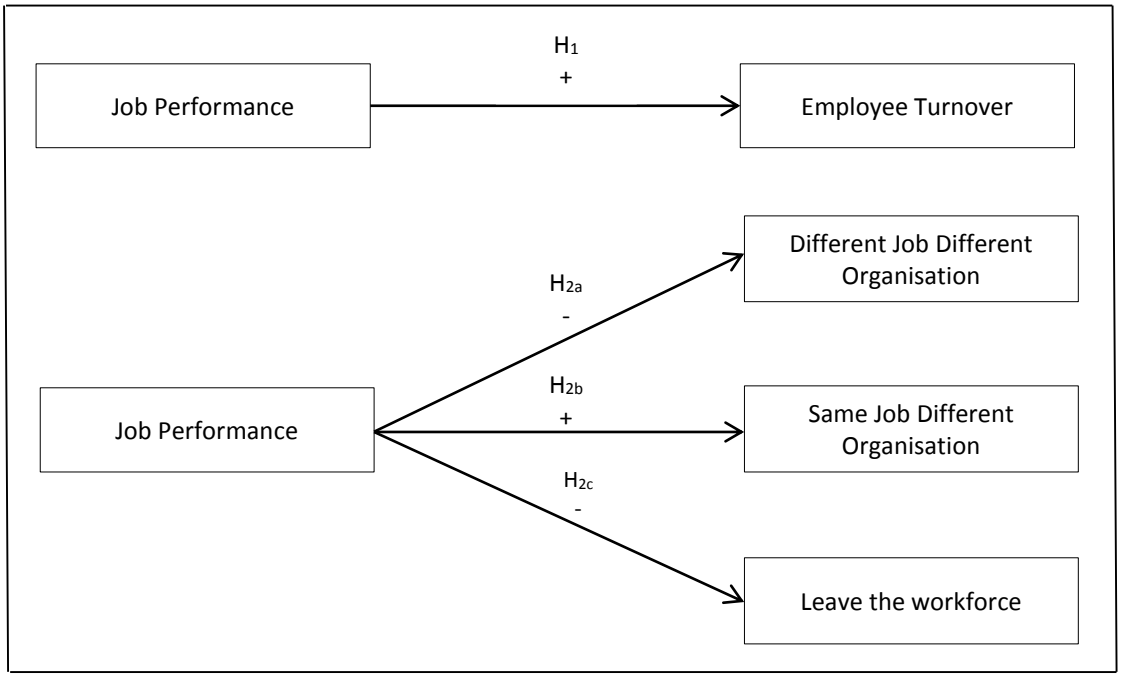

Figure 10: Diagram illustrating hypotheses proposed in this study

6.3. Research Design

This study follows a quantitative research paradigm, employing a combination of a multi-source survey method and secondary archival data to gather the necessary data. All job performance related questions in the survey were extracted from a survey initially administered by Williams and Anderson (1991) whilst all turnover destination questions were adapted from a survey used by Kirschenbaum and Weisberg (2002). Archival data was gathered from the HR Department in each of the companies sampled and included all demographics[2] and turnover related information. The preliminary sample of respondents chosen was selected based on whether the individual left the organisation. Individuals who had moved between divisions within the company[3] were not considered to have left the organisation and hence were excluded from the sample. The leavers were then purposefully matched to employees that remained employed by the company based on organisational tenure, level in the organisation, age, race and gender respectively. The leavers and matched stayers were then combined to create the final sample to be used in the study.

In line with the above, three separate surveys were designed to collect data for this study. A summary of the contents of each survey can be seen below:

- The first survey, which can been found in Appendix A, was given to the managers of the leavers in the sample. This survey contained questions relating to both job performance and turnover destination.
- The second survey, which can be found in Appendix B, was given to managers of those employees that remained employed by the organisation at the time of the study and contained questions relating to job performance only.
- The last survey, which can be found in Appendix C, is the survey that relates only to turnover destination. This survey was emailed out to all the leavers.

[2] Demographics include all information relating to age, race, gender and tenure
[3] See chapter 9 section 9.1.1

A cover letter and general instructions accompanied each survey that was provided to the respondents. Surveys were either distributed in an individually marked envelope, or they were emailed out to the relevant respondent. Below is an explanation of how each of the variables was measured.

6.4. Participants

The following section discusses all the information that is relevant to the sample that was used in this study beginning with the population.

6.4.1. Population

The anticipated population is broadly South African white collar workers, given that the sample consists of white collar workers and professionals. The limitations section discusses restrictions in extrapolation to the broad population given that only a few companies were sampled.

6.4.2. Sample Method

For the purpose of this study, a convenience sampling method was adopted. As explained by Tustin, Ligthelm, Martins and Van Wyk (2005), the convenience sampling method is a non-probability sampling technique whereby subjects are chosen based on availability and accessibility. Due to various constraints, only a few companies could realistically be sampled. Gathering performance data for employees requires relationships to be built before companies are willing to divulge such sensitive information. Furthermore, the time constraints allowed for only four companies to be sampled. These four companies were purposefully chosen due to the ease with which information could be gathered in these companies. A full list of leavers in specific time periods was obtained in each of the companies. To screen out as many extraneous factors from the analysis as possible, allowing a focus on the core relationships, all leavers were then matched to employees that remained employed by the company

based on organisational tenure, level in the organisation, age, race and gender respectively. Only when performance data could not be gathered was the subject excluded from the sample. The initial turnover sample, combined with the matched sample produced the final sample of 300 which was then used in this study.

6.4.3. Sample Size and Characteristics

The selection criteria used when choosing the turnover sample was based on the definition of employee turnover provided by Price and James (1977, as cited in Rubin, 1989) and specified that an employee needed to cross an organisational boundary to be included in the turnover sample of this study. The sample consisted of 300 employees in total; 150 employees that had exited the organisation as well as 150 matched employees who remained employed by the organisation at the time that the study was conducted. Of the 300 employees in the sample, 2 observations had to be excluded from the data due to the fact that the performance data could not be gathered on the employees. The final sample that was used for the analysis consisted of 149 stayers and 149 leavers.

6.4.4. Participant Statistics

The following section summarises the demographics of the final 298 respondents that are used in this study. The information used in compiling the participant statistics is gathered through archival data obtained via employee records from the Human Resources Department in each company. The demographics of the sample are summarised in Table 3:

Demographic		N	%	Continuous Variables			
				M	SD	Median	Inter-quartile range
Age (yrs)		**298**		35.22	9.44	33.11	27.94 – 40.63
Tenure		**298**		3.53	2.97	2.8	1.49 – 4.66
Race							
	EE	**152**	**51.01%**	-	-	-	-
	NonEE	**146**	**48.99%**	-	-	-	-
Gender							
	Male	**139**	**46.64%**	-	-	-	-
	Female	**159**	**53.36%**	-	-	-	-
Seniority							
	Upper	**154**	**51.68%**	-	-	-	-
	Lower	**144**	**48.32%**	-	-	-	-

Table 3: Summary of Respondent Demographics

As can be seen in Table 3, the average age of the respondents is 35.22 years (SD = 9.44) and the average tenure is 3.53 years (SD = 2.97). When measuring race in the sample, respondents are grouped into two categories; namely those who fall under Employment Equity legislation and Non Employment Equity. As per the Employment Equity Act No 55 of 1998 and the Black Economic Empowerment Act No 55 of 2003, Black, Indian, Coloured and Chinese respondents are grouped into the category entitled Employment Equity and white respondents are put into a category called Non Employment Equity. As per the table, there are slightly more Employment Equity respondents as compared to their Non Employment Equity counterparts. In addition, the sample comprised a slightly higher number of females than males. Seniority in the organisation is measured according to the occupational bands as defined by the organisations. The level of seniority of the respondents ranged from administrator to top management. Administrators, as defined by the organisation, are those individuals without any tertiary qualification. The junior, middle and senior levels is defined according to qualifications, skills and years of experience of the individual whilst the top management category is indicative of those individuals that have direct input into the company strategy. For the purposes of this study, the

administrator, junior and middle levels are grouped into a category labelled Lower Management and the senior and top levels are grouped into a category entitled Upper Management. As is highlighted in the summary above, there are a slightly higher number of respondents in the Upper Management category as compared to those in the Lower Management category.

6.5. Measures

The surveys gathered the following measures.

6.5.1. Independent Variable: Job Performance

As highlighted in section 10.3, the questions used to measure job performance were adapted from the questionnaire used by Williams and Anderson (1991). 7 questions measure in-role behaviour (sample item is "adequately completes assigned duties"), another 7 items measure organisational citizen behaviours that benefit the organisation (sample item is "helps others who have been absent") and another 7 questions measure organisational citizenship behaviours that benefit a specific individual (sample item is "attendance at work is above the norm"). All performance related questions were measured on a 5 point Likert-type scale ranging from always to never. Section 11.4 below discusses tests of factor structure for this variable.

6.5.2. Dependent Variable: Turnover

Employee turnover information was gathered using archival data which was made available by the Human Resources Departments in each company. This variable was measured as a binary variable with each individual being recorded as either a quit (if they left the organisation) or a stay (if they were still employed by the company at the time that the sample was taken).

6.5.3. Dependent Variable: Turnover Destination

The surveys administered to both leavers and managers requested data on the turnover destination of the leavers. Only in the cases where the employee did not respond to the survey were the manager's answers used.

The main turnover destination questions that was used were adapted from those used by Kirschenbaum and Weisberg (2002). An extract from the survey can be seen below:

When you left the company, did you:

A. leave the workforce?

B. move to the same job (task) in a different organisation?

C. move to a different job (task) in a different organisation?

6.5.4. Control Variables

Various control variables were measured using archival data in the organizations' Human Resources systems as follows:

- ***Age***: Age was measured as a continuous variable using the age in years at exit for leavers and the current age as at 31 January 2013 for stayers.
- ***Race***: Race was measured with five possible alternatives; Chinese, Coloured, Indian, White and Black. Chinese, Coloured, Indian and Black were then grouped into a category entitled Employment Equity and White was left in a category on its own entitled Non Employment Equity. This was then treated as a dummy variable.
- ***Gender****:* Gender was measured as a dummy variable with 'male' and 'female' being the two possible outcomes.

- ***Tenure:*** Tenure was measured as a continuous variable. Actual tenure was used for those respondents that left the business whilst current tenure as at 31 January 2013 was used for those that are still currently employed by the company.
- ***Level of Seniority****:* Five levels of seniority have been measured in the sample; namely administrator, junior, middle, senior and top management. The administrator, junior and middle management levels were combined into a category entitled Lower Management whilst the senior and top management levels were combined into a category entitled Upper Management. This was then treated as a dummy variable.

6.6. Factor Structure and Reliability of Performance Measures

The performance measures are multi-item scales with sub-dimensions. Therefore, the next sections discuss further analysis of reliability and factor structure before forming final performance scores.

6.6.1. Internal Reliability of Performance Measures

According to Nunnally (1978, as cited in Tiku & Pecht, 2010), reliability is indicative of the repeatability of a result which is based on a theoretical research instrument. Tiku and Pecht (2010) go on to explain that a result is considered to be reliable if the same result is obtained each time the test is conducted. One of the most commonly used measures of reliability is that of the Cronbach Alpha (Streiner, 2003). Cronbach Alpha values greater than .80 are considered to indicate good reliability (Nunnally 1978, as cited in Yoo, Rao & Hong, 2006) whilst values over .70 are considered to indicate acceptable levels of reliability (Nunnally 1978, as cited in Su, Li, Zhang, Liu & Dang, 2008).

Cronbach Alpha's were computed in this study for all 3 dimensions of performance as well as for the overall aggregate performance score. Reliability estimates of .95, .94, .89 and .96 were found for the constructs in role behaviour, organisational citizenship behaviours that benefit the organisation,

organisational citizenship behaviours that benefit an individual and overall performance respectively. This indicates that the constructs were found to be reliable measures. As discussed next, further factor structure is assessed using confirmatory factor analysis.

6.6.2 Confirmatory Factor Analysis of Performance Items

The first form of analysis that was performed was a confirmatory factor analysis (CFA) of the performance items. As explained by Henson and Roberts (2006), a factor analysis is a commonly used statistical method which aims to establish the underlying constructs of the data as well as the degree to which these constructs represent the variables. They go on to explain that a CFA method is usually appropriate when the researcher has some idea of what factors should emanate from the data and this method is generally used to test rather than to explore theory.

The questions which were used to gather the performance data were adapted from those questions used by Williams and Anderson (1991). Based on the results of their study, three distinct factors were expected to originate from the data in this study; in role behaviour, organisational citizenship behaviours that benefit the organisation and organisational citizenship behaviours that benefit an individual. A three factor CFA was thus performed using the commonly used statistical method of parcelling. Tau and parallel equivalents were also tested, however, based on the results, the CFA method was the most appropriate.

Whilst the initial CFA produced good fit statistics and the results did show three distinct factors in the data, the descriptive statistics indicated substantial overlap of constructs. Therefore, a second-order factor structure was produced, with a single performance factor underlying each of the three sub-dimensions. The final measurement model displayed good fit, including the following indices: Chi-Square (60) = 95.57, $p < .01$, SRMSR = .05, RMSEA = .08 (90% CI = .05 - .17), CFI =.96, NNFI = .95.

This CFA is chosen as the final one and infers that a single aggregate performance score be used for each employee. The analysis of internal reliability as discussed above appears to support this.

6.6.3. Aggregation of Performance Measures

The aggregation of the final performance score was calculated by both averaging each of the performance items and by deriving a factor score from the CFA. Both aggregations are tested in the analysis as seen below.

6.7. Data Capturing and Analysis

The following section deals with the manner in which data was collected and coded for the study.

6.7.1. Data Capturing

The data was captured in Microsoft Excel 2010 and subsequently transferred into SAS JMP 10.0 for analysis.

6.7.2. Missing Data

Once in Excel, it was essential that missing data was dealt with before the analysis stage. Two methods were used to deal with missing data in this study; the observation was either deleted, or the data was supplemented. Only two observations were deleted in their entirety due to the fact that there was no performance data available.

In other cases, turnover destination information was either not available or the response of the manager did not align with the response of the employee that left the organisation. If the leaver responded to the survey, then this was the data that was used. If the employee did not respond to the survey, colleagues and managers were asked about the turnover destination of the employee, and social networking tools such as Facebook and LinkedIn were used. In approximately 6% of the cases,

managers' responses were used and approximately 60% of turnover destinations were accurately verified by social networks.

6.7.3. Data Coding

Before the data could be analysed, the variables needed to be coded into a format that was usable in the statistics program that was being utilised. Age for stayers and leavers were measured in terms of relative age. 'Stayers'' current age was used whereas the 'leavers' age at the date of exit was used. The rest of the demographic variables were coded as follows:

- *Gender* was recoded as a dummy variable with male being 1 and female being 0.
- *Race* was measured as 1 - Black, 2 - Coloured, 3 - Indian, 4 - White, 5 - Asian and recoded into dummy variables where Black, Coloured, Indian and Asian were grouped into a category called Employment Equity and coded as a 1, and White was in a category called Non-Employment Equity and was coded as a 0.
- *Job level* was measured as 1 - Administration, 2 - Junior Management, 3 - Middle Management, 4 - Senior Management and 5 - Top Management. Administration and Junior Management were then collapsed into one category and coded as a 1; Middle, Senior and Top Management were also collapsed and coded as a 0.
- Lastly, it was necessary to distinguish between 'stayers' and 'leavers'. The turnover data was thus coded as dummy variables with 'stayers' coded as a 0 and 'leavers' coded as a 1.

6.8. Data Analysis

Once final data was compiled, the data was then imported into SAS JMP 10.0 for analyses. The statistical techniques are guided by the aims of the study as follows:

- A first step is to establish basic associations between variables. Based on this, correlation tests were conducted on the performance data sub-dimensions and final single dimension to confirm the inputs to the CFA discussed above;
- A second step is to establish basic evidence that performance differs across both stayers and leavers, as well as between each sub-group formed of stayers versus leavers distinguished by varied turnover destinations. For this purpose, the research initially employs comparisons of means (ANOVA and t-tests) with turnover status as the categorical predictor and mean performance as the dependent variable;
- Finally, the research proposes that performance is the predictor of various turnover decisions, and therefore uses logistic regressions with performance as the main predictor (controlled for other variables) and various categorical alternatives as the dependent variable (including stay versus leave in general, a focus within leavers on one destination versus others and all destinations as destinations, etc.)

The following section highlights the statistical analysis methods that were used in this study. Whereas the methods have been explained above, the results of the analysis will be discussed in chapter 7.

6.9. Conclusion

The above chapter discussed the methodology that was adopted in this study beginning with information regarding the sample used. The research design was then discussed, highlighting the dependent, independent and control variables in the study. The process used to capture, clean and code the data was then discussed and lastly, the initial data analysis was then described.

The following chapter continues from the previous chapter and goes onto to summarise the results that were revealed from the statistical tests that were conducted.

CHAPTER 7: RESULTS

This chapter discusses the results of the analyses, starting with a simple correlation analysis. Given that performance is measured in two ways; raw scores and factor scores; unless otherwise stated, I will report on raw scores in the analysis.

7.1. Correlations

A Pearson correlation analysis helps determine initial evidence whether there is any relationship between each of the constructs of job performance, a Pearson's Correlation Analysis was conducted. The results of this analysis can be seen in the Table 4:

		M	SD	1	2	3	4
1.	IRB	3.77	.83	(.95)			
2.	OCBO	3.31	.98	.75	(.94)		
3.	OCBI	3.71	.82	.77	.70	(.89)	
4.	Performance	3.59	.80	.92	.91	.90	(.96)

Note. IRB = in-role behaviour, OCBO = organisational citizenship behaviour that benefits the organisation, OBCI = organisational citizenship behaviour that benefits a specific individual, Performance = aggregated performance measure

Table 4: Pearson's correlations and descriptive statistics of each of the dimensions of job performance

The strongest relationship which was found was between the constructs of IRB and OCBO ($r = .77$, $N = 298$, $p < .01$) indicating that higher levels of IRB are associated with higher levels of OCBO. The relationship between IRB and OCBI ($r = .75$, $N = 298$, $p < .01$) and OCBI and OCBO ($r = .70$, $N = 298$, $p < .01$) also indicated moderate to strong positive correlations signifying that higher levels of IRB and ORBI are both associated with higher level of OCBO. The results of the correlation analysis provide further justification for combining the scores in a single measure of performance[4].

[4] Refer to section 12.4.3

Subsequent to the correlation tests, two comparisons of means tests were then conducted to establish initial evidence that performance impacts turnover. The results of these tests are explained below.

7.2. Comparison of Means Between Destinations

A t-test was used in order to determine whether the mean performance scores would differ significantly based on whether people stayed or quit. The results of the t-test revealed statistically significant differences in the mean performance scores of stayers and leavers ($t = -1.09$, $p < .01$). A summary of the t-test statistics can be seen in table 5 below:

Mean Diff	Confidence Limits for :LS Means					
	99L	99H	95L	95H	90L	90H
0.28***	.05	.50	.11	.45	.13	.42

*Note. *** = p < .01, **= p <. 05, *= p < .10*

Table 5: Summary of t-test statistics for performance means versus binary stay/leave status

Further to the above, an Analysis of Variance (ANOVA) test was then conducted in order to examine whether there were statistically significant differences among destination categories in relation to the mean performance scores. The results of the study revealed statistically significant differences between the different destination categories, $F (3, 290) = 5.03$, $p < .01$. A summary of these descriptive statistics can be seen in table 6:

	LS Mean Diff	Confidence Limits for: LS Means					
		99L	99H	95L	95H	90L	90H
DJDO vs. LWF	.29	-.24	.80	-.11	.68	-.04	.62
DJDO vs. SJDO	-.07	-.43	.29	-.35	.21	-.30	.16
DJDO vs. STAY	-.24**	-.55	.07	-.48	-.01	-.44	-.04
LWF vs. SJDO	-.37*	-.85	.16	-.75	.02	-.69	-.04
LWF vs. STAY	-.54***	-1.00	-.06	-.89	-.18	-.83	-.24
SJDO vs. STAY	-.17	-.46	.12	-.39	.05	-.35	.02

*Note. *** = p < .01, **= p <. 05, *= p < .10, DJDO = different job in a different organisation, SJDO = same job in a different organisation, LWF = leave the workforce*

Table 6: Summary of the descriptives for performance mean versus turnover destination

7.2. Logistic Regressions

Logistic regressions are a form of statistical test where the dependant variable is categorical and the independent variable is categorical or continuous (Salkind, 2013). A series of logistic regressions were thus conducted to test the various relationships that were proposed in the hypotheses. The first regression compared quitting verses staying in general. The second set of regressions used the whole sample including both leavers and stayers and compared each destination separately versus staying. In this particular set of regressions, a matched sample logistic regression was run because stayers were specifically matched to leavers. The final set of regressions used only the leavers in the sample and compared each destination versus every other destination separately. A summary of the results of these regressions can be seen in table 7:

	Likelihood Ratio	**R^2**	**B**	**e^B**	**SE**
Quit versus Stayers	14.60**	.10	-.49***	.61	.17
DJDO versus Stayers	3.28*	.05	-.41*	.66	.23
DJDO versus Other Destination	0.87	.01	.03	1.03	.21
SJDO versus Stayers	1.79	.03	-.27	.76	.20
SJDO versus Other Destination	3.49	.03	-.33	.72	.22
LWF versus Stayers	4.69**	.17	-.91***	.40	.27
LWF versus Other Destination	5.82	.07	-.56*	.57	.28

*Note. *** = p < .01, **= p <. 05, *= p < .10, DJDO = different job in a different organisation, SJDO = same job in a different organisation, LWF = leave the workforce*

Table 7: Table summarising the results of the logistic regression tests

The results of the regressions will be discussed in the sections below.

7.3. Job Performance and Employee Turnover

Hypothesis H_1 proposed that higher levels of job performance are more likely to be associated with higher levels of employee turnover. In order to test this hypothesis, a multiple logistic regression that

compared quitting versus staying in general was conducted on the full sample of both leavers and stayers to examine whether job performance does impact on employee turnover.

The overall model was weak and the pseudo R^2 indicated that the model explained 2.27% of the variance in performance which although statistically significant, χ (1) = 9.38, $p < .01$, is low. An inspection of the individual predictors revealed that performance (B = 0.45, $p < .01$) is a significant predictor of employee turnover. By analysing the odds ratio, it was determined that for each point increase in the performance score, the odds of quitting decrease from 1 to .63. From this, it can be concluded that higher levels of performance are associated with people leaving a company and lower levels of performance are associated with people staying at a company.

In addition to this, the relationship between job performance and employee turnover was also tested for curvilinearity, however no evidence of this type of relationship was found.

Based on this, there is support for H_1 which suggested that higher levels of job performance are more likely to result in higher levels of employee turnover.

7.4. Job Performance and Turnover Destination

Hypothesis H_2 is similar to that of the first hypothesis, however, here the relationship between job performance and turnover destination is investigated. Hypothesis H_2 suggests that the job performance of employees is significantly associated generally with turnover destination choice, and sub-hypotheses suggested specific findings, namely that low performing individuals are more likely to move to a different job in a different organisation than to any other destination choice, high performing individuals are more likely to move to the same job in a different organisation than to any other destination and poor performers are more likely to leave the workforce than to move to any other destination choice.

Two initial multinomial logistic regression test initial aspects of destination choice in conjunction as a possible consequence of performance. The first regression test was a matched multinomial sample logistic regression test which compared each destination, including staying. The model fit for this test was weak. According to the pseudo R^2 results, the overall model explained 2.07% of the variance in performance which was revealed to be statistically significant, χ (3) = 14.43, $p < .01$). An inspection of the individual predictors revealed that performance has a significant positive impact on whether an individual choses to move to a different job in a different organisation or to leave the workforce (B = .45, p = .02). In addition, the results also showed that performance has a significant impact on whether an individual choses to leave the workforce or to stay (B = 0.91, $p < .01$). The odds ratio highlighted that for each point increase in performance, the likelihood of moving to a different job in a different organisation decreased from 1 to .64 and the likelihood of leaving the workforce decreased from 1 to .40. The relationship between performance and the destination choice of moving to the same job in a different organisation was however not found to be significant.

The second regression test was conducted on the sample of leavers only and compared each destination versus each other separately. The results of this test showed that the model was not significant at the 95% level of confidence thus causing the model to be thrown out[5]

These initial multinomial regressions are not necessarily informative as the samples are unbalanced as the destination choice, and power is low for so many outcomes. Therefore, the following sections test the effect of performance on one specific destination at a time against broader alternatives.

[5] Although this model was not significant at the 95% level of confidence, it was significant at the 90% confidence interval.

7.5. Moving to a Different Job in a Different Organisation

The first destination to be examined in this study is that of moving to a different job in a different organisation. Hypothesis H_{2a} proposes that low performing individuals are more likely to move to a different job in a different organisation than to any other destination.

In order to investigate this hypothesis, the initial strategy was to conduct two sets of logistic regressions. The first set of logistic regressions were conducted on the full matched sample and made two comparisons. The first comparison was between the destination choice of a different job in a different organisation versus staying and the second comparison was between all other destination choices (ie: same job in a different organisation and leaving the workforce) and staying. The overall model fit was found to be particularly weak with the model explaining only 1.62% of the variance of performance according to the pseudo R^2. The model was however found be to statistically significant, $\chi(2) = 9.70$, $p < .01$. An inspection of the individual predictors revealed that when moving to a different job in a different organisation was compared to only the stayers in the sample, performance was shown to have a significant impact on whether an individual choses to move to any other destination or to stay within the same organisation ($B = .48$, $p < .01$). Furthermore, when all other destinations[6] were compared to stayers, performance has a significant impact on whether an individual choses to move to another destination or to stay within the same organisation ($B = .45$, $p = .02$). Upon analysis of the odds ratio, it was found that for each unit increase in performance, the odds of moving to a different job in a different organisation decreased from 1 to .64. Furthermore, for each unit increase in performance, the odds of moving to a turnover destination of either the same job in a different organisation or leaving the workforce decreased from 1 to .62.

[6] Excluding the destination of different job in a different organisation

The second regression was conducted on only the leavers in the sample and compared the destination choice of a different job in a different organisation versus every other destination to determine if low job performance made the destination choice of a different job in a different organisation more likely. The overall model was not found to be statistically significant at a 95% confidence interval and hence the model was thrown out[7].

The above results show some evidence for the hypothesis H_{2a} which suggests that low performing individuals are more likely to move to a different job in a different organisation than to any other destination choice. However, partial support can be inferred.

7.6. Moving to the Same Job in a Different Organisation

The second destination choice of moving to the same job in a different organisation was considered in hypothesis H_{2b}. It was suggested here that high performing individuals are more likely to move to the same job in a different organisation than to any other destination.

As in the previous regression test, to investigate this hypothesis, two multiple logistic regressions were conducted to determine whether high job performance made the destination choice of a similar type of job in a different organisation more likely. The first regression used the matched sample of both leavers and stayers and tested the difference between the destination choice of the same job in a different organisation versus staying, as well as all other destinations (i.e.: leave the workforce and a different job in a different organisation) versus staying. The pseudo R^2 revealed that the overall model explained only 2.01% of the variance in performance which was revealed to be statistically significant, χ (2) = 11.91, $p < .01$. An inspection of the individual predictors showed that performance (B = .59, $p < .01$) is a significant predictor of whether one choses to stay with an organisation or move to a

[7] This model was also not significant at the 90% confidence intervals

destination other than the same job in a different organisation, however no significant results were found in terms of whether performance levels impact the destination choice of moving to the same job in a different organisation. The odds ratio was then analysed and it was found that for each point increase in performance, the likelihood of an individual moving to a destination other than to the same job in a different organisation decreased from 1 to .55. However, the relationship between performance and the destination choice of the same job in a different organisation was not found to be significant.

A second regression was then conducted using the sample that contained leavers only and compared the destination of the same job in a different organisation versus all other destinations separately. The results of this test revealed that the model was not significant at the 95% confidence interval thus causing the model to be thrown out[8].

Because the results produced in this study are inconclusive, the null hypothesis cannot be accepted or rejected.

7.7. Leaving the Workforce

The final turnover destination category that was considered in this study is that of leaving the workforce. Hypothesis H_{2c} proposed that poor performers are more likely to leave the workforce than their high performing counterparts.

The first logistic regression was conducted on the combined sample including both leavers and stayers and compared the destination choice of leaving the workforce versus staying and all other destination choices versus staying. The pseudo R^2 revealed a weak model fit with only 2.58% of the variance being

[8] This model was also not significant at the 90% confidence intervals

explained by the model. The model was however found to be statistically significant at the 99% confidence interval, χ (2) = 13.87, $p < .01$. An inspection of the individual predictors revealed that performance (B = .91, $p < .01$) is a significant predictor of whether an individual choses to leave the workforce or stay with the organisation. In addition, performance (B = .37, p = .02) is a significant predictor of whether an individual choses to stay within the organisation or move to another destination. The odds ratio showed that for each point increase in performance, the likelihood of leaving the workforce decreased from 1 to .40. Furthermore, for each point increase in performance, the likelihood of moving to another destination decreased from 1 to .69.

The second regression model used the sample containing the leavers only and compared the destination choice of leaving the workforce versus all other turnover destinations. The overall model, as highlighted by the pseudo R^2, explained only 3.18% of the variance which was revealed to be statistically significant at the 95% confidence level, χ (1) = 4.30, p = .03. An inspection of the individual predictors revealed that performance (B = .56, p = .04) is a significant predictor of whether an individual choses to leave the workforce or move to another destination choice. Furthermore, the odds ratio revealed that lower levels of performance are associated with people choosing to exit the workforce. For each point increase in the performance score, the odds of leaving the workforce will decrease from 1 to .57.

The results provide evidence in support of hypothesis H_{2c} which suggested that poor performers are more likely to leave the workforce than their high performing counterparts.

7.8. Moderator Variables

In each of the hypotheses that were investigated, the impact of various moderators was also considered. Age, gender, race, tenure and level of seniority were moderators that were measured and tested in each hypothesis. Although it was thought that some of these variables would impact some

of the relationships that were proposed, the results of the study showed that none of the moderators had any significant impact.

7.9. Conclusion

The above discusses the results that were found from all the statistical tests that were conducted. The following chapter, however, discusses the possible explanations for the results that were found and highlights the implications of such results.

CHAPTER 8: DISCUSSION

This chapter discusses the results that were highlighted in chapter 7 of this study. Each finding will be deliberated and debated in terms of previous studies and research in the field of performance, turnover and turnover destinations.

8.1. The Relationship between Job Performance and Employee Turnover

Section 7.3 highlighted that the results produced indicate that higher levels of job performance increase the likelihood that a person will stay with an organisation thus providing evidence in support of a negative performance – turnover relationship. There have been several other studies that have found results that are similar to this (see McEvoy & Cascio, 1987; McEvoy & Cascio, 1987; Allen & Griffeth, 1999, Jackofsky, 1984 & Keller, 1984) and some of their findings will be drawn upon to explain this relationship in this study.

In explaining the negative relationship between job performance and employee turnover, it is important to draw on the work of March and Simon (1958) which was reviewed in section 7.1 of Chapter 7. These theorists proposed that turnover was a function of two factors, namely ease and desirability of movement. Whilst the dependence of the relationship between job performance, employee turnover and ease of movement can easily be assumed, the relationship between job performance, employee turnover and desirability of movement is less forthright. The impact of perceived desirability of movement on employee turnover cannot be properly understood without information on contextual factors (Gerhart et al., 1995). Research that has found evidence in support of a negative performance - turnover relationship has cited anxiety related to performance reviews (Jackofsky, 1984) and the threat of dismissal (Jackofsky, 1984) as impacting the desirability of movement factor for poor performers, thereby prompting these individuals to seek alternate employment (Keller, 1984). Furthermore, Schwab (1991) suggested that an organisation that has an

effective performance based rewards system implemented will improve the satisfaction of their high performers. This increased satisfaction will decrease the perceived desirability of movement for high performers and increase the perceived desirability of low performers (Gerhart et al., 1995), thereby supporting the theory of a negative performance - turnover relationship.

As localised illustration of the possible inputs to desirability of movement, discussions with the HR Managers in each of the organisations sampled reveal specific HR elements that may have been involved in generating a negative performance – turnover relationship. All the companies that were sampled for this study have a performance appraisal system that has been implemented and that is formally used twice a year to assess and provide feedback on job performance to each individual. One of the organisations sampled has also implemented a process called 'coffee conversations' which underpins their performance appraisal system. Coffee conversations are regular one-on-one conversations between a line manager and each staff member that reports to them where the focus is on feedback on performance as well as growth and development of the staff member. These conversations are expected to take place at least once every 6 – 8 weeks. Individuals are thereby given continuous assessment and feedback on their performance which can become stressful for those that are continually not performing and motivating for those that are continually performing well and thereby frequently receiving acknowledgement.

Building on this, one of the companies sampled in this study developed and implemented a career management training course in 2008. The focus of this workshop was to empower employees to take an active role in managing their own careers but also to empower managers to deal with performance issues in their teams. This career management workshop was further built on in 2010 when the same company ran what they called a 'leadership development programme'. One of the modules of this programme was aimed at training managers on the legalities and technicalities relating to various performance issues. Managers were taught about both the legal and the company process that

needed to be followed in the event that they wanted to dismiss or discipline an individual for poor work performance. Furthermore, they were taught how to deal with high performers in terms of managing their expectations and offering them various challenges and growth opportunities that would assist in retaining the individual. This large focus on performance within that particular organisation may have served as a retention factor for high performers as their managers were subsequently in a better position to manage their careers. On the contrary, poor performers were now dealing with managers that were better equipped to deal with their poor performance.

It is suggested that the performance appraisal system, coffee conversation process and career management workshop is likely to have strongly impacted the desirability of movement for both low and high performers, albeit in different ways. The performance appraisal system allows high performers to receive recognition from managers for their hard work. The coffee conversation process affords high performers the opportunity to receive consistent feedback and to discuss career development opportunities which the career management workshop has empowered their managers to do. All these factors work together to reduce the desire for a high performing individual to seek alternate employment thereby assisting in retaining the top performers. On the contrary, poor performers are likely to experience these processes quite differently. Performance appraisals are likely to be quite stressful and the consistent feedback during the coffee conversations process may become uncomfortable. Furthermore, working with a manager that is equipped and comfortable to deal with poor performance may become intimidating. It is probable that with all these processes in place, poor performers will fast begin to feel the stress and pressure relating to their poor performance and may look for a way to avoid the situation. This is likely to increase the desirability of movement for a poor performer.

Also of importance in support of the negative performance - turnover relationship is that of talent management. Retaining high performing and talented individuals remains a key objective for many

companies today (Hausknecht et al., 2009) and companies have used talent management strategies to achieve this objective. Strategic talent management has been defined as 'the activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of high potential and high performing incumbents to fill these roles and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation' (Collings & Mellahi, 2009:304). Of particular importance in this definition is that it suggests that one of the elements of talent management focuses on the necessity of developing high performing individuals to fill jobs that will ultimately impact the organisation's competitive advantage (Collings & Mellahi, 2009). Talent management strategies focus largely on developing and retaining high performers within an organisation for the benefit of both the individual and the organisation. With the large focus on high performers, low performers may become disgruntled and dissatisfied. A lack of progression as well as a lack of opportunity to grow and develop may increase the levels of dissatisfaction experienced by a poor performer. Previous research has suggested that an individual's level of job satisfaction can be a vital predictor of voluntary turnover (Nyberg, 2010) with dissatisfied employees being more likely to leave an organisation. On the contrary, talent management strategies often seek to provide high performers with various opportunities to accelerate their development into more advanced roles. Research has shown that leadership development courses and access to mentors are a key retention factor for high performing employees (Tustin et al., 2005). It is thus suggested that talent management strategies will increase the desirability of movement for poor performers, however they will also increase the desirability of movement for high performers.

The above highlights the impact of various initiatives on the desire of an individual to either leave or stay with an organisation thereby impacting employee turnover. The discussion provided above

assists in the understanding of a negative performance-turnover relationship which is directly in line with the findings of this study.

The following sections deal with the findings relating to the destination that an individual is likely to choose when they leave an organisation.

8.2. Job Performance and Turnover Destinations

The results of the study found evidence in support of the theory that job performance is significantly associated with turnover destination choice. Each of the three destinations will be discussed in detail below.

8.2.1. Moving to a Different Job in a Different Organisation

Hypothesis H_{2a} relates to the destination choice of moving to a different job in a different organisation and suggests that low performing individuals are more likely to move to a different job in a different organisation than to any other destination choice. The results which emerged showed some evidence in support of this relationship[9].

The destination choice of moving to a different job in a different organisation suggests that an employee is not only leaving their current employer, but is also moving to a job that is fundamentally different from the job in which they were previously engaged. A destination choice of this nature has been suggested to be quite risky as the employee is not only moving to a new company but also taking on a new role within that company. Moreover, changing to a different job is likely to involve starting at a lower rank or accepting reduced remuneration in the new organisation (Hom et al., 2012). An individual opting to take the risks associated with moving to a different job in a different organisation

[9] See section 7.5

must therefore have a sufficient justification and motivation to take such risks. One reason suggested here is that the stressful work environment may cause a poor performing individual to reconsider whether the job that they have chosen is an appropriate fit for them. Saeed and Asghar (2002) suggest that an individual's job performance is directly related to person-job fit. Person-job fit is described as 'the relationship between a person's characteristics and those of the job or tasks that are performed at work'(2005:284). Poor performers may consider whether the problem is person-job fit, thereby prompting them to look for more relevant roles. Moving to a different job in a different organisation offers a poor performing individual a new start with a new company and the opportunity to perform well in a role that may be better suited to their personality.

Building on the idea of person-job fit is the constant development that is expected of individuals in many careers today. A discussion with an HR manager in one of the organisations sampled suggests that being in the specific field of insurance meant that there were many regulatory requirements that made continuous development mandatory. In this particular organisation, the industry is regulated by the Financial Services Board (FSB) which is a government established organisation that seeks to regulate the Financial Services industry with the main purpose being to protect public interest (www.fsb.co.za). Through the FAIS Act, the FSB have established a set of criteria that every individual that gives financial advice has to comply with. In the sampled organisation, all individuals in a client facing role, whether they had experience in the industry for 20 years or whether they were young graduates, were required to complete an exam to prove that they were competent to provide sound financial advice to clients. A person that is not performing in their current role sees this compulsory exam as unwelcomed because they do not see the benefit that they will gain from such a qualification in light of their poor performance. This may prompt them to look for an alternative where their skills will be better suited instead of obtaining a qualification which will only tie them to a role that they are not performing in.

The last explanation for the relationship between poor job performance and the likelihood of moving to a different job in a different organisation relates directly to the ease of movement factor which was highlighted in the March and Simon (1958) employee turnover model. Each of the four organisations that were sampled in this study consist of companies that operate in relatively niche areas of business. An informal discussion with one of the HR Managers revealed that whilst the industry within which that particular organisation operates is quite large, there is a high amount networking that occurs between individuals in the industry. Those that are experienced in the industry are cognisant of who the talent is in the market. With that said, high performing individuals are often well positioned, and are therefore more likely to be poached by competitors. Poor performers on the contrary have few options when trying to move within the industry as their performance level is easy to determine by recruiting companies. This may leave a poor performer no choice but to change career paths in order to find alternate employment. It is suggested here that industry networking may affect the perceived ease of movement for both poor and high performers, albeit in different ways.

8.2.2. Moving to the Same Job in a Different Organisation

The second destination that was considered, relates to the turnover destination of moving to the same job in a different organisation. It was proposed that high performers are more likely to move to the same job in a different organisation than to any other destination choice. The results of the statistical tests that were conducted, however, showed no significant results in support of this hypothesis.

There are several reasons that may assist in understanding why significant results were not found in terms of this destination choice, the first of which relates to moderating variables that may not have been controlled for in this study. When an individual choses to move to the same job in a different organisation, they leave their current organisation to move to a completely different organisation, however they move into a role that is fundamentally similar to the role that they were previously employed in. This therefore infers that the reason the employee chose to leave the organisation is not

because they were unhappy with their job but rather because they were discontented with the organisation itself. In light of the results found in this study, there must be several pull factors which cause high performers to choose to remain employed by their current organisation instead of moving to a different organisation.

Performance based rewards is a moderator variable which was briefly discussed in chapter 8, section 8.4.2, however it was not controlled for in this study. Informal discussions with each of the HR Managers in all 4 organisations revealed that performance-based reward systems have been implemented in each of the organisations. In an article that cites several factors which boost employee retention, compensation, appreciation, acknowledgement of capabilities and recognition of performance contributions are all listed as key elements in employee retention (Walker, 2001 as cited in Ghosh, Satyawadi, Joshi & Shadman, 2013). An organisation that has a proper performance-based rewards system implemented is more likely to be able to retain their high performers and more likely to lose a disproportionately high number of its low performers. It is suggested here that if performance-based rewards systems were controlled for in this study, the results may have differed.

8.2.3. Leaving the Workforce

The final destination choice that was considered in this study is that of leaving the workforce. It was proposed that poor performers would be more likely to leave the workforce than to move to any other destination choice. The results from the statistical analysis showed evidence in support for the theory that low performers are more likely to leave the workforce than their high performing counterparts. Before discussing the relevance of this relationship, it is important to refer back to section 10.1.3 of this study. This section highlights that leaving the workforce and entering into a state of unemployment can either be voluntary or involuntary. The distinction between voluntarily and involuntarily leaving the workforce has important implications, especially in the context of this study

and therefore each justification for this relationship will be contextualised as either voluntary or involuntary.

There are several reasons why an individual may be involuntarily forced to leave the workforce and many of these reasons are often related to an employee's poor performance. The Labour Relations Act 66 of 1995 is the Act in South Africa that governs the manner in which employees should be treated in the workplace. Sections 185 to sections 197 of this Act deal with the dismissal of employees for various reasons. Furthermore, Schedule 8 and 9 specifically address the issue of dismissing an employee for poor performance. Although South African labour Law allows the employer to dismiss an employee for incapacity due to poor performance, there is quite a lengthy process to follow before a dismissal of this nature is deemed to be fair. Before an employer can dismiss an employee for poor performance, they must first place the employee under performance management. The employee must be advised of their substandard performance and must be provided all the support and training that is required to be able to rectify their substandard performance. Whilst this process is intended to be co-operative in nature, it can be quite a stressful period for the employee who is now aware that their performance is below what is expected. Once under performance management, the employee may not only be concerned with improving their performance to an acceptable level, however they may also be concerned at the possibility of being dismissed should they not be able to increase their performance level. As was mentioned previously, one of the companies sampled for this study has recently trained managers on the legal processes involved when placing an employee under performance management. This may have placed an increased emphasis on performance management in the organisation. The increased focus on performance management may place substantial stress on an individual who is not performing at an acceptable level. In addition to this, the idea that a poor performing employee may voluntarily elect to leave the organisation to avoid a difficult situation at work has also been cited in the literature (Jackofsky, 1984). In a situation like this, where an employee is either dismissed for poor performance or willingly elects to leave because of

their poor performance, the individual must then seek alternate employment. However, with a poor performance dismissal on record, alternate employment may be difficult to find thus forcing the individual to remain unemployed. Furthermore, an employee that elects to leave may still struggle to find another job due to the state of the labour market in the country. The lack of employment opportunities may force an individual who would prefer to be employed, to leave the workforce and enter into a state of unemployment. Mano-Negrin and Tzafrir (2004) have suggested that economic conditions can have an influence on employee turnover rates and that the state of a labour market is likely to affect both the quality and quantity of other employment prospects both internally and externally. A record of poor performance coupled with low levels of alternative employment opportunities may decrease the likelihood of a low performer finding alternate employment thus forcing them into unemployment.

Another factor to consider when looking at the relationship between job performance and leaving the workforce is that of job satisfaction. Chapter 5, section 5.3 highlights the relationship between job performance and satisfaction. In summary, Lawler and Porter (1967) propose that job performance results in both intrinsic and extrinsic rewards, and the degree to which these rewards are perceived to be equitable, will impact the satisfaction level of an individual. A poor performing individual is likely to be excluded from various extrinsic rewards such a pay increases and promotions due to their poor performance. At the same time, they are likely to experience few intrinsic rewards as a result of their substandard performance. This may result in a dip in satisfaction levels. In support of this argument, Futrell and Parasuraman (1984) suggest that job satisfaction has a greater impact on the decision to leave for a poor performer than for a high performer. The lack of personal fulfilment in the job may prompt an individual to leave the workforce without any alternative, thus supporting the relationship between poor performance and the likelihood of leaving the workforce. Personal fulfilment may also be the reason that high performers chose to remain in the workforce. If their individual aspirations

are met and they are receiving appropriate external rewards, this may improve their satisfaction, thereby decreasing their desire to leave the workforce.

Two additional factors that were considered in the relationship between performance and the likelihood of leaving the workforce were that of age and gender. It has been well cited in the literature that starting a family has little impact on the career of the male, however has a substatntial impact on the female (Ehigie & Umoren, 2013) who often leaves the workforce to take care of a family (Cabrera, 2007). Whilst it was thus expected that poorer perfoming females would be more likely to leave the workforce than their male counterparts, the results of this study did not provide evidence in support of this. In fact, the moderator variable of gender did not have any impact on the relationship between performance and subsequent turnover destination. One of the explanations for this could be related to the changing roles of men and women in the workplace and at home. Recent research has shown that whilst traditionally, women played a large role in running the household, this has now shifted and females are now playing a greater role in the workforce (Okonkwo, 2013). Increasing financial stresses are making it necessary for females to take responsibility outside of the home and to engage in full-time, paid employment (Theunissen, Van Vuuren & Visser, 2003). Furthermore, due to the reduced earning power that males are now experiencing, the traditional family structures are slowly changing and it is now necessary for females to financially contribute to the household (Okonkwo, 2013). The increased responsibility to financially contribute to the household may impact the likelihood of females voluntarily leaving the workforce. Furthermore, although only a slight difference, the sample of this study contains somewhat more of the female gender than the male gender which in light of the above discussion, may have skewed the results slightly.

The second factor which was proposed would have an impact on an individual leaving the workforce was that of age. Hypothesis H_{5c} suggested that older, poorer performing individuals would be more likely to leave the workforce than their younger, high performing counterparts. The justification for

proposing this hypothesis was that older individuals are more likely to want to enter into early retirement as compared to their younger, higher preforming counterparts who still have ambitions of a long career ahead of them and families to support. However, the results of this study showed that age did not have an impact on the destination choice of leaving the workforce.

One of the possible reasons for this being the case is that in today's economy, many people are not in a financial position to be able to retire. Whilst many people may wish to enter into early retirement, financial constraints may force them to work for longer than they would like to.

8.3. The Relationship between In-Role and Organisational Citizenship Behaviours

As mentioned in section 11.1, the results of the correlation test showed that higher levels of in-role behaviour (IRB) and organisational citizen behaviours that benefit a specific individual (OCBI) are associated with higher levels of organisational citizen behaviours that benefit the organisation (OCBO). One possible explanation for such a relationship has been well researched in the literature and is termed the halo effect. The halo effect largely occurs when individual fails to differentiate between separate and dissimilar independent factors (Sahoo et al., 2012) thereby causing high correlations between the factors than would otherwise not occur (Kohli, Harich & Leuthesser, 2005). Cognitive consistency theory highlights that individuals often endeavour to preserve consistency as inconsistency has been suggested to cause psychological tension (Kohli et al., 2005). In the case of this study, the halo effect is a possible explanation for the high correlations between each of the performance constructs. An individual may have given high ratings on all the constructs of performance which would be in line with a high overall performance rating as low ratings on one of the constructs would result in inconsistency thereby creating psychological tension.

A further justification for the high correlations is based on an argument posed by Porter and Lawler (1968 as cited in MacKenzie et al., 1998) who suggested that when rewards are dependent on in-role

job performance, the impact is that the satisfaction levels of the individual increases. It has also been argued that extra-role behaviours, defined here as OCBO and OCBI are directly linked to an individual's level of job satisfaction and employees that experience a high level of job satisfaction are grateful to their organisations and thus participate in OCB's as a means of repaying the organisation (Organ, 1977 as cited in MacKenzie et al., 1998).

A third explanation of this relationship is specific to the sample which was drawn for this study. Each of the organisations that were sampled has a performance appraisal system that is currently implemented which informs various monetary and non-monetary rewards. One of the organisations in particular has an appraisal system that measures not only in-role behaviour, but also various aspects of organisation citizenship behaviours as well. It is suggested here that by implementing an appraisal system that rewards both in-role and organisational citizenship behaviours, a culture of holistic performance is encouraged within the organisation. Employees are therefore both encouraged and motivated to perform on all aspects of performance, which may provide an explanation for the positive correlation between each of the constructs of performance.

Stemming from the above, the last explanation that can be provided for the positive relationship between each of the constructs of performance relates to the company values of the organisations which were sampled. A discussion with the HR Managers in each of the businesses revealed that the company values in the organisations were directly in line with both in-role behaviours and with both types of organisational citizenship behaviours. 'We are all about excellence' and 'we are committed to producing high quality products and services to our clients' speaks about the quality of work that is expected from an individual who is employed by that particular company and is indicative of in-role behaviours. Other values that have been employed in the organisations sampled include 'we will work together as a team to serve each other and our clients' and 'we are supportive of everyone's efforts, loyal to one another, and care for each other both personally and professionally'. These values are

particularly indicative of organizational citizenship behaviors that benefit a specific individual. Lastly values such as ‘always act with honesty and integrity’ and ‘are true to ourselves and others’ are in line with organizational citizenship behaviours that benefit the organisation.

With a focus on values that relate to both in-role behaviours and both types of organizational citizenship behaviours, performance on all 3 components of performance is constantly reinforced, thus resulting in a high correlation between each of the constructs of performance.

CHAPTER 9: CONCLUSION AND RECOMMENDATIONS

The results of this study show that job performance does indeed have an impact on employee turnover, and in some cases, also impacts the destination that an individual choses to move to after leaving an organisation. The following section highlights the limitations of the study, possible recommendations for future studies in this area as well as some practical recommendations for individuals that operate in the HR environment.

9.1. Limitations

The sample population used in this study consisted of white collared workers across the Johannesburg region in South Africa. Due to the limited diversity in the sample, the results of this study cannot necessarily be generalised to other types of workers (eg: blue collared workers) or to other regions within South Africa.

In addition to the above, the study used two main data collection methods to collect the necessary data for the study. Archival data was used to collect the demographic information whilst the survey method was used to collect performance data and turnover destination data. The use of archival data in a study has its drawbacks. In this case, because the data that was collected was not collected specifically for the purpose of this study, there was no control for what information was requested or how this information was gathered. The survey method of collecting data also has a set of drawbacks. One common problem with using surveys to collect data is that of missing data (Little, 1988). Whilst there are statistical techniques which are commonly used to deal with missing data, these techniques do not always result in complete accuracy.

9.2. Recommendations

Based on the limitation highlighted above, the first recommendation for future research relates to the sample that is chosen for the study. In the case of this study, due to the accessibility of information and due to time constraints, only white collared workers were included in the sample. The results cannot necessarily therefore be extrapolated to blue collared workers. It is thus recommended future research incorporate blue collared workers into the sample. This will allow for extrapolation across a wider range of workers.

Another recommendation for future research relates to the area of turnover destinations. Unlike employee turnover, turnover destinations is an area that has been less researched. Furthermore, turnover destinations in South Africa is a research area that remains largely untapped. It is thus recommended that future research explore the area of turnover destination not only in the Johannesburg region, but in other provinces within South Africa, allowing the results of the study to be extrapolated to the larger South African area.

In addition to the above, the turnover destination portion of this study considered only external moves. Internal moves across divisions within a company were not taken into account for this study due to time constraints. A further recommendation would be to consider both internal and external moves when researching turnover destinations in order to provide a more comprehensive view of all possible turnover destinations.

In line with the above, the final recommendation for future research to be made would be to use a mixed methods approach in understanding the destination choice that an individual selects. Whilst the above research looks at turnover destination as a factor in the performance-turnover relationship, some insight into why individuals chose a particular destination choice would be a valuable addition to the turnover destination field.

Based on the results that this study produced, recommendations can also be made to those individuals' that work in the HR environment in organisations. The first recommendation for HR practitioners is to understand the impact that continuous feedback can have on both high and poor performers. In many organisations, feedback on performance is largely given during formal performance reviews which often take place only twice a year. Continuous feedback on performance not only motivates high performers, but also makes it uncomfortable for poor performers that are not reaching an acceptable performance standard. Individuals that operate in an HR environment should focus on implementing initiatives that allow managers to give their teams' continuous feedback on their performance.

The second recommendation for HR practitioners is to use the performance information which is available to not only inform incentives, but to also inform the organisations retention strategies. Whilst most organisations do have a performance appraisal system implemented, the information gathered during the performance appraisal is often only used to determine incentives. A suggestion here is to analyse the performance information which is available after reviews to develop a targeted retention program for talented individuals.

9.3. Conclusion

Employee turnover, although it has received much attention over the years, is still a topic which is relevant in organisations today. Understanding how job performance impacts employee turnover not only adds to the body of knowledge relating to job performance and employee turnover, but also highlights to managers the risk they face in retaining their top performers. This is particularly pertinent in the current environment where organisations are competing for high performing resources. In addition to this, turnover destinations is a concept which has received limited attention in the literature. Furthermore, it is a concept which remains relatively un-researched in the South African

context. This dissertation has contributed not only to the abundant literature in the space of job performance and employee turnover, but also in the area of turnover destinations in South Africa.

The statistical analysis which was conducted produced results in support of the positive performance - turnover relationship. As discussed previously, this has direct implications for organisations that are looking at retention strategies for their top performing employees. The success of many organisations today depends on talented individuals within the company and organisations must be cognisant of the impact that these individuals have on their businesses. Furthermore, organisations must make every effort to proactively tackle dysfunctional turnover so as to not let it impact the success of the business. Studies such as this will allow managers to flag potential dysfunctional turnover thereby enabling them to reduce the likelihood of it occurring.

In addition to the above, this study also investigated the impact of turnover destinations in the performance – turnover relationship. With turnover destinations now being viewed as part of the turnover process (Mossholder et al., 1988), this portion of the study provides more insight into employee turnover from a more holistic perspective. Furthermore, it provides an understanding of the external destination choices that an individual may choose to move to.

Understanding the performance of an individual may reveal more than just whether the employee is contributing to the goals of the businesses. Organisations need to look further into what the performance profile of their organisation actually says.

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APPENDIX A: RESEARCH INSTRUMENT - SURVEY FOR MANAGERS FOR THOSE THAT HAVE LEFT

Dear Sir/Madam

Re: Master's Research Report – Request for assistance

Organisations today are becoming increasingly aware that talented individuals are one of the key contributing factors to the success of a business. In light of this, there has been a recent acknowledgement of the importance of talent management in organisations. True talent management is about not only about attracting the right people but also about retaining them. Because of the impact that high performers can have on the success of a company, organisations must find ways to retain their top performing employees in order to remain competitive.

Given this, I am a Masters student who is currently registered with WBS for the Masters in Management by Research course. In order to fulfil the requirements of this degree, I am required to complete a dissertation on a topic of my choice.

One of the pieces of information that I require for my study is to obtain an evaluation of employee performance for a sample of individuals. The study aims to determine whether job performance impacts employee turnover. I have selected and gained approval through the necessary channels and I have selected your organisation to be part of the sample for my dissertation.

Your help in compiling the information would be greatly appreciated. I enclose a questionnaire for you to complete – it should take no more than 20 minutes. You will be required to answer the questions from the perspective of the manager. The employee who you will be rating is _____.

The findings and recommendations of my research are intended for academic research purposes only. All information provided will be kept completely confidential.

Any queries can be directed to the Researcher. Thank you for your participation.

Kind Regards

Ilona Poonan

Email ilonap@lombardins.com

Tel: 083 257 9745

General Instructions:

1. Please attempt to answer all questions.
2. Please answer as honestly as possible. Your personal identity will not be disclosed to anyone, nor taken into account in this study.
3. Please give only one answer per question.
4. Please mark your answer with an 'X'

Section A

Please rate _____ on each of the items listed below:

	Item		Always	Very Often	Sometimes	Rarely	Never
1	**Adequately completed assigned duties**		①	②	③	④	⑤
2	**Fulfilled responsibilities that were specified in job description**		①	②	③	④	⑤
3	**Performed tasks that were expected of him/her**		①	②	③	④	⑤
4	**Met formal performance requirements of the job**		①	②	③	④	⑤
5	**Engaged in activities that directly affected his/her performance evaluation**		①	②	③	④	⑤
6	**Neglected aspects of the job that he/she was not obliged to perform**		①	②	③	④	⑤
7	**Failed to perform essential duties**		①	②	③	④	⑤
8	**Helped others who were absent**		①	②	③	④	⑤
9	**Helped others who had heavy workloads**		①	②	③	④	⑤
10	**Assisted supervisor with his/her work (when not asked)**		①	②	③	④	⑤
11	**Took time to consider co-workers' problems and worries**		①	②	③	④	⑤

12	**Went out of the way to help new employees**		①	②	③	④	⑤
13	**Took personal interest in other employees**		①	②	③	④	⑤
14	**Passed along information to co-workers**		①	②	③	④	⑤
15	**Attendance at work was above the norm**		①	②	③	④	⑤
16	**Gave advance notice when unable to go to work**		①	②	③	④	⑤
17	**Took undeserved work breaks**		①	②	③	④	⑤
18	**Great deal of time spent with personal phone conversations**		①	②	③	④	⑤
19	**Complained about insignificant things at work**		①	②	③	④	⑤
20	**Conserved and protected organisational property**		①	②	③	④	⑤
21	**Adhered to informal rules to maintain order**		①	②	③	④	⑤

Section B

Please mark your answer with an "X" in the appropriate box.

i. Are you aware of where the person went to after leaving Lombard Insurance?

Yes ☐ No ☐

If no, this survey ends here. If yes, please proceed to question 2.

ii. When the person left Lombard Insurance Company did they:

☐
☐

A. leave the workforce

B. move to the same job (task) in a different organisation?

C. move to a different job (task) in a different organisation?

If your answer to question 2 was option C (move to a different job (task) in a different organisation), please explain in the space provided below:

_____

_____

_____

_____

_____

_____

Thank you for your time, cooperation and participation. We are sure the results will be of great value to your business. We look forward to sharing our findings with you in due course.

APPENDIX B: RESEARCH INSTRUMENT - SURVEY FOR MANAGERS FOR THOSE THAT HAVE STAYED

Dear Sir/Madam

Re: Master's Research Report – Request for assistance

Organisations today are becoming increasingly aware that talented individuals are one of the key contributing factors to the success of a business. In light of this, there has been a recent acknowledgement of the importance of talent management in organisations. True talent management is about not only about attracting the right people but also about retaining them. Because of the impact that high performers can have on the success of a company, organisations must find ways to retain their top performing employees in order to remain competitive.

Given this, I am a Masters student who is currently registered with WBS for the Masters in Management by Research course. In order to fulfil the requirements of this degree, I am required to complete a dissertation on a topic of my choice.

One of the pieces of information that I require for my study is to obtain an evaluation of employee performance for a sample of individuals. The study aims to determine whether job performance impacts employee turnover. I have selected and gained approval through the necessary channels and I have selected your organisation to be part of the sample for my dissertation.

Your help in compiling the information would be greatly appreciated. I enclose a questionnaire for you to complete – it should take no more than 20 minutes. You will be required to answer the questions from the perspective of the manager. The employee who you will be rating is _____.

The findings and recommendations of my research are intended for academic research purposes only. All information provided will be kept completely confidential.

Any queries can be directed to the Researcher. Thank you for your participation.

Kind Regards

Ilona Poonan

Email ilonap@lombardins.com

Tel: 083 257 9745

General Instructions:

1. Please attempt to answer all questions.
2. Please answer as honestly as possible. Your personal identity will not be disclosed to anyone, nor taken into account in this study.
3. Please give only one answer per question.
4. Please mark your answer with an 'X'

Please rate _____ on each of the items listed below:

	Item		Always	Very Often	Sometimes	Rarely	Never
1	**Adequately completes assigned duties**		①	②	③	④	⑤
2	**Fulfils responsibilities specified in job description**		①	②	③	④	⑤
3	**Performs tasks that are expected of him/her**		①	②	③	④	⑤
4	**Meets formal performance requirements of the job**		①	②	③	④	⑤
5	**Engages in activities that will directly affect his/her performance evaluation**		①	②	③	④	⑤
6	**Neglects aspects of the job that he/she is not obliged to perform**		①	②	③	④	⑤
7	**Fails to perform essential duties**		①	②	③	④	⑤
8	**Helps others who have been absent**		①	②	③	④	⑤
9	**Helps others who have heavy workloads**		①	②	③	④	⑤
10	**Assists supervisor with his/her work (when not asked)**		①	②	③	④	⑤
11	**Takes time to consider co-workers' problems and worries**		①	②	③	④	⑤

12	**Goes out of way to help new employees**		①	②	③	④	⑤
13	**Takes personal interest in other employees**		①	②	③	④	⑤
14	**Passes along information to co-workers**		①	②	③	④	⑤
15	**Attendance at work is above the norm**		①	②	③	④	⑤
16	**Gives advance notice when unable to come to work**		①	②	③	④	⑤
17	**Takes undeserved work breaks**		①	②	③	④	⑤
18	**Great deal of time spent with personal phone conversations**		①	②	③	④	⑤
19	**Complains about insignificant things at work**		①	②	③	④	⑤
20	**Conserves and protects organisational property**		①	②	③	④	⑤
21	**Adheres to informal rules to maintain order**		①	②	③	④	⑤

Thank you for your time, cooperation and participation. We are sure the results will be of great value to your business. We look forward to sharing our findings with you in due course.

APPENDIX C: RESEARCH INSTRUMENT - SURVEY FOR INDIVIDUALS THAT HAVE LEFT

Dear Sir/Madam

Re: Master's Research Report – Request for assistance

Organisations today are becoming increasingly aware that talented individuals are one of the key contributing factors to the success of a business. Because of the impact that high performers can have on the success of a company, organisations have placed a great deal of emphasis on understanding the factors resulting in employee turnover. However, little attention has been placed on where the individuals that leave a company are going to.

Given this, I am a Masters student who is currently registered with WBS for the Masters in Management by Research course. I am also in the Human Resources Division at Lombard Insurance. In order to fulfil the requirements of my Master's degree, I am required to complete a dissertation on a topic of my choice.

One of the pieces of information that I require for my study is to obtain information on the destination of employees once they have left Lombard Insurance Company.

Your help in compiling the information would be greatly appreciated. I enclose a questionnaire for you to complete – it should take no more than 15 minutes.

The findings and recommendations of my research are intended for academic research purposes only. All information provided will be kept completely confidential.

Any queries can be directed to the Researcher. Thank you for your participation.

Kind Regards

Ilona Poonan

Email ilonap@lombardins.com

Tel: 083 257 9745

General Instructions:

1. Please attempt to answer all questions.
2. Please answer as honestly as possible. Your personal identity will not be disclosed to anyone, nor taken into account in this study.
3. Please give only one answer per question.
4. Please mark your answer with an 'X'.

i. What was reason you left Lombard Insurance Company:

Dismissal		**Relocation**	
Retrenchment		**Resignation**	
Retirement		**Alternative job offer**	
Pregnancy		**Other**	

If other, please specify:

_____

_____

_____

_____

_____

ii. Were you headhunted?

Yes		**No**	

iii. When the you left Lombard Insurance Company did you:

A. leave the workforce	
B. move to the same job (task) in a different organisation?	
C. move to a different job (task) in a different organisation?	

Thank you for your time, cooperation and participation. We are sure the results will be of great value to your business. We look forward to sharing our findings with you in due course.