CHAPTER 1: INTRODUCTION

1.1 Purpose of the study

The main purpose of the study was to determine those factors that contribute to employee turnover within a business in South Africa.

Ultimately, the findings of this study lead to a greater understanding as to why knowledge workers resign, and as such these findings may be used as the basis of future retention strategies and management development programmes.

1.2 Context of the Study

Organisations that are competitive in the current economic climate are those that rely on their employees to use their knowledge to provide solutions that are innovative, as well as to meet and exceed their customer expectations. In fact, an organisation's most valuable assets are their knowledge workers and their productivity (Drucker 1999).

It can further be said that one of the last major competitive advantages available to organisations are their people. An organisation's present and future success will be determined by their ability to retain their knowledge workers (Sutherland and Jordaan 2004) and to effectively utilise the management systems that empower them (Harrigan and Dalmia 1991).

It was estimated that by the end of the 20^{th} century, as much as a third of the United States work force will be knowledge workers (Drucker 1994) and as such it could be seen that manual labour was being replaced by theoretical knowledge and intellectual effort as the new source of value and wealth (Flood, Turner, Ramamoorthy and Pearson 2001).

The valuation of tangible assets, such as plant and machinery is declining relative to the value and importance of intangible assets within organisations (McKinsey and Company 2001). Intangible assets such as Intellectual

Drucker (1999) proposes that whilst *costs* need to be curtailed, knowledge workers as capital assets need to be grown. He goes on to write that knowledge workers cannot be truly considered an *asset* as they cannot be bought nor sold, nor can they be acquired or obtained through mergers, and as such whilst they have the greatest value to an organisation they have no market value (Drucker 1999).

Hinkin and Tracey (2000) went on to propose that organisations will benefit in adopting a philosophy that employees are an asset to be invested in, and this will result in an increased benefit for the organisation as a whole.

Property (IP), successful brands, innovative ideas and so on are those that give an organisation its sustainable competitive advantage, and talent is the underlying foundation of them all (McKinsey and Company 2001).

Although companies strive to remain competitive in an ever changing world, they will have to rely on their knowledge workers to do so. These employees are increasingly in short supply, and hence companies are in a continuous struggle to appoint and retain the very best people. The problem is further exasperated by the fact that organisations operate in a competitive labour market that affords talented individuals a wide array of opportunities (Cappelli 2000).

The overall demographics of a workforce are changing, and there are predictions that in the future there will be a shortage of labour, which means that in many markets the majority of employable individuals are already employed (Hinkin and Tracey 2000). This will result in organisations competing for knowledge workers as opposed to knowledge workers competing amongst themselves for employment (Flood et al. 2001). Paradoxically, the more reliant organisations are on their knowledge workers, the shorter the knowledge worker tenure is becoming (Sutherland and Jordaan 2004).

A survey conducted in the USA in 2006 of 5,000 executives found that 46% of them expected to stay in their positions for only two to five years (Parise, Cross and Davenport 2006). In South Africa, this figure was even higher, and as many as 60% indicated that they intended to leave within the next two years (Sutherland and Jordaan 2004).

A survey by the Shanghai Association for Enterprise found that in 2004 to 2005 the average turnover rate of the 156 companies surveyed was 16.5%, which was higher than the targeted 5% to 15% turnover rate (Zhou and Chen 2007).

In January 2005 in the USA, 24% of employees voluntarily resigned from their employer in the preceding twelve month period, of the 24% only 2.7% were due to the employees retiring, the rest were due to the employees resigning to seek alternative employment (O'Connell and Kung 2007).

The current reality is that employee’s expectations regarding financial and psychological reward, as well as development are higher than ever. This coupled with the de-stigmatisation of *job-hopping* has made the switching of jobs easier than ever before. McKinsey and Company (2001) states quite simply that high performers are likely to resign from an organisation when they feel underdeveloped, undervalued, and underpaid.

Cappelli (2000) stated that the object was not to prevent water from flowing out, but to control its direction and speed. Sutherland (2005) went on to state in her article that staff retention is like managing a river, not a dam. This quaintly sums up the challenge ahead for organisations today in realising that employment for life is neither practical nor desired, regardless one must still strive to retain knowledge workers for as long as possible.

The management of human resources forms part of a broader context of strategic management. A component of human resource management is forecasting the demand and supply of labour required by an organisation, and labour attrition rates (staff turnover) are one of the main factors influencing the supply of labour. Thus, the monitoring and taking corrective action concerning turnover rates, and their excessive costs is an important managerial task. It is therefore managements responsibility to determine the *optimal level of* *turnover rate* for their specific organisation, taking into account the costs associated with turnover versus the cost of their attempts to minimise turnover (Terborg and Lee 1984).

In the past, factors such as job security and long-term benefits may have been important to *generation x's*, to those born from 1965 to 1980 (Codrington and Grant-Marshal 2004). *Generation y's* are born subsequently and later, are more motivated by short-term factors such as a challenging job, work-life balance and acquiring new skills (Branham 2005).

The aspiration and needs of a new generation of employees have fundamentally shifted from those of the *baby-boomers* (who are individuals born from 1940 to 1960), as organisations through their heightened focus on short term bottom-line results have now impacted the levels of stress, job security and ultimately changed the traditional loyalty contract between employers and their employees (Branham 2005).

Retention strategies that an organisation was able to rely on in the past may now be outdated and unable to serve the purpose for which they were initially designed. For organisations to remain competitive through retaining their knowledge workers, they must first be aware of the changing nature of employee requirements and understanding why employees resign from organisations.

Organisations also need to realise that they must determine the underlying causes of attrition, as staff turnover is merely a symptom rather than the problem itself (Hinkin and Tracey 2000). Managers should therefore determine why their employees are not staying with the organisation as opposed to asking why they are resigning (Branham 2005).

1.3 Main research problem

The primary purpose of this study is to determine those factors that contribute to the attrition of knowledge workers.

1.3.1 Research problem:

- Identify reasons why knowledge workers resign from organisations?

1.3.2 Research question:

- What are the factors that generally contribute to knowledge worker attrition?

1.4 Significance of the Study

Knowledge worker attrition may result in a loss of an organisations competitive advantage as the worker will leave with both their tangible and intangible knowledge (Kinnear and Sutherland 2000).

The actual financial impact of knowledge worker turnover is under appreciated by management as the hidden nature of turnover costs are often not directly quantifiable, and as such are not attributed to turnover.

The Saratoga Institute estimates that the average cost of staff turnover is equal to one times that of an employee’s salary (Branham 2005). Sutherland and Jordaan (2005) estimated the cost of labour turnover as one and a half times the annual salary, and that an organisation with 15% attrition would have a total cost of 22% of the total annual pay-roll.

The above costs are made up of direct and indirect costs. Direct costs are relatively easy to quantify and usually occur in the short term after the termination (Sutherland and Jordan 2004). Direct costs are also made up of a number of elements such as, lost productivity (Hinkin and Tracey 2000), recruitment of replacements (Staw 1980) and other hiring costs (Hinkin and Tracey 2000).

Indirect costs are more difficult to quantify and their effect may be felt long after the employee has left the organisation (Sutherland and Jordaan 2004). Indirect costs comprise separation costs (Hinkin and Tracey 2000), loss of knowledge (Praise et al. 2006), training costs (Staw 1980) and negative impact on productivity (Branham 2005; Praise et al. 2006) (Hinkin and Tracey 2000). As well as, public relations cost, decrease in customer satisfaction, loss of organisational momentum and eroding organisational memory (Staw 1980), and finally the demoralisation of remaining employees (Staw 1980; Hinkin and Tracey 2000).

It is therefore becoming increasingly more important to retain those employees who produce profit for organisations, by creating goods and services with their knowledge. At the same time, employee loyalty is at an all time low due to global competitiveness and being unable to guarantee job security. Hence, employees are making greater demands on employers, and should these demands not be met, employees are looking elsewhere for employment (Kinnear and Sutherland 2000).

Organisations that grasp the significance of the effect of turnover on their organisation are able to address these effects. Cascio (2002, as cited in Holtom, Mitchell, Lee and Inderrieden 2005) found that the companies in the '100 Best Companies To Work For' in the Fortune 2002 report, not only had significantly less turn-over than their peers, but as a direct result of this they further had better returns on capital employed, better return on assets, and higher operating performance and better stock returns.

Even though there is a large amount of literature and research on the causes and consequences of labour attrition, there is limited research written within a South African context. Therefore, this study will attempt to contribute to what is known regarding knowledge worker attrition in South Africa.

1.5 Delimitations of the Study

This study was only conducted on one consulting organisation in Gauteng, South Africa.

1.6 Assumptions

The respondents in the study answered truthfully, concerning the reasons they left the organisation.

1.7 Definition of Terms

- **Attrition:** For the purposes of this study the definition of "staff turnover' shall be inter-changeable with and apply to 'attrition'.
- **Staff turnover:** Turnover refers to the total number of separations your company has experienced in a specified period of time. These separations can result from such occurrences as employees quitting, layoffs, terminations and retirement (Ogunjimi 2011).
- **Staff turnover rate:** The number of separations during a month, including both voluntary and involuntary terminations (excluding layoffs). The turnover rate is calculated by taking the number of separations during a month divided by the average number of employees on the payroll multiplied by 100 (www.humanresourcesiq.com).
- **Staff retention rate**: 100% **-** staff turnover rate.
- **Retention rate**: 100% minus the % staff turnover rate.
- **Quits**: those individuals that voluntarily terminate their own services. (Stovel and Bontis 2002)

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The purpose of this literature review is to acquire a deeper understanding of the context within which knowledge worker attrition occurs, and the causes thereof.

Key issues that will be uncovered within this literature review will be the types of turnover, what is a knowledge worker, the war for talent, the changing psychological contract, and the factors contributing to attrition.

2.2 Knowledge Workers

2.2.1 What is a Knowledge Worker?

Peter Drucker (1999) who first coined the term *knowledge worker*, states that they are workers who acquire, manipulate, interpret, and apply information in order to perform multidisciplinary, complex and unpredictable work (Drucker 1999).

Knowledge workers to a greater or lesser extent foster a common skill set requirement, such as find, access, recall and apply information. In addition, they require the desire and motivation to do so. As they own their tools of production, their knowledge can consequently only be exploited should they voluntarily decide to part with it (Flood et al. 2001; Drucker 1994).

Davenport (year, as cited in Alter 2005) stated that these workers usually have a higher level of education and expertise, thus they must have the ability to obtain and use theoretical and analytical knowledge.

The term *knowledge worker* is broad, and so are the activities that they engage in, such as teachers, computer programmers, doctors, lawyers, business consultants, sales personnel, and so on (Brown 1999).

Knowledge workers may also be defined as key employees who create intangible value based assets (and often transport those assets in their heads when they change employers (Harrigan and Dalmia 1991). As knowledge workers own their means of production, that is their knowledge is lodged between their ears, it is easy for them to leave an employer and take their expertise either to a new employer or to start their own business, often in competition to their previous employer (Drucker 1999).

Finally, we look once again to Drucker (2001) who sums up the difference between knowledge and manual workers, as the man who puts to work what he has between his ears, rather than the brawn of his muscles or the skill of his hands.

2.2.2 A working definition of Knowledge Workers

A knowledge worker is an individual that uses his brains, either by developing or utilising knowledge, rather than his muscles to earn a living (Drucker 2001). As such they have a high level of education (Alter 2005) and they continuously engage in learning (Wright 2007).

In the organisation used for the case study, knowledge workers are those that utilise their knowledge of their specific field of expertise, as well as their deep understanding of their customer’s unique needs to solve problems and develop effective solutions (Van der Walt 2010).

2.2.3 Managing Knowledge Workers

Knowledge workers are those that are increasingly more autonomous and avoid traditional control and command structures, they enjoy greater mobility and are committed more to their occupation than their organisation (Horwitz, Heng and Quazi 2003). Even though knowledge workers have the knowledge, they do, however, need the organisation to convert it into performance (Drucker 1994). Thus, knowledge workers are more likely to enter into symbiotic relations with their employers (Drucker 1999).

Knowledge workers are further more inclined to negotiate their contracts on an individual basis with their employer and are unlikely to participate in any form of collective representation. The employees career planning and management is directly under their control and they are responsible for the continuous updating of their own portfolio of skills. It is also not unusual for the employee to periodically renegotiate their contract as their participation and contribution changes over time (Flood *et al*., 2001).

In addition, knowledge workers as full or part time employees are likely to work in teams that are managed by individuals whose duty it is to ensure that employees with different knowledge contribute towards joint performance (Drucker 1994).

They require autonomy and they need to be able to determine their own accountability in terms of time, cost, quality and quantity. They require that innovation is a component of their job and that it entails continuous learning and teaching (Drucker 1999). Sutherland and Jordaan’s (2004) study, as supported by Kinnear’s (1999) study found that knowledge workers need independence, individualism and personal development.

2.3 Labour Turnover / Attrition

Labour turnover is described as the movement into and out of the boundaries of the organisation (van der Merwe and Miller 1988). This specifically excludes transfers, either between departments or organisations.

In a study by Horwitz et al. (2003), found that 36% of organisations reported a turnover of more than 10%. Of these organisations, 75% considered the level of turnover to be unacceptable. The majority of employers confirmed that the turnover of knowledge workers was higher than non-knowledge workers.

In an Indian employee study conducted in 2008 it was found that 51% of the organisations polled, had a knowledge worker turnover rate of between 11% to 20% (Yiu and Saner 2008). While the 2010 Resourcing and Talent Planning survey conducted on 480 United Kingdom based organisations found that the overall turnover rate to be 13.5% (CIPD 2010).

At the time of writing there were no statistics available on South African labour turnover rates, it is therefore assumed that organisations would establish their own retention benchmark, based on their own unique requirements, rather than using national statistics for that purpose.

The Labour Turnover rate for the period February 2010 to January 2011 of the organisation was 30%. Although there has been a steady improvement in the retention figures since 2007, when these were first measured, this is still higher than the targeted turnover rate of this organisation for that period which was a maximum of 25%.

2.3.1 Types of Labour Turnover

2.3.1.1 Voluntary

Voluntary turnover, known as *a quits* or *resignation* can be defined as employees leaving an organisation of their own freewill (Shaw, Delery, Jenkins and Gupta 1998). There may be a number of individual factors or combination of them leading to turnover, namely poor prospects of growth with current employer, more remuneration and / or benefits, poaching by competitors, unrealistic expectations by the employees, poor fit between the company and the employee, managerial issues and soon (Karsan 2007). Ultimately, employees resign when they can maximise their interests and happiness by joining another employer (Shaw et al. 1998).

Research shows that employees have two main reasons when considering to resigning from an organisation, that is, the availability of alternatives and attractiveness of their current job (Shaw et al.1998). There is a common belief that the greater the availability of alternatives, the higher the turnover will be. Employees will then weigh up the benefits of their new job versus the cost of resigning, that is to say the attractiveness of the existing job, and if the benefits outweigh the costs, then they will leave (Price 2001).

2.3.1.2 Involuntary Turnover

Involuntary (avoidable) turnover, occurs when an employer terminates the employment of the employee on the basis of that employee's service no longer being required, for misconduct or due to the employee's performance not being to the required standard (Sutherland and Jordaan 2004).

2.3.1.3 Other types of Turnover

Transfers within the organisation and terminations due to the employee meeting retirement age also contributes to turnover (Karsan 2007). These types of turnover have the least effect on an organisation as they often can be planned well in advance (Zimmerer 1971).

Employers would further be advised to consider the effect of employees retiring on the termination rate, as this may be factored into the employer's manpower planning schedules in advance (O'Connell and Kung 2007).

2.3.1.4 Calculation of turnover rate

Although many organisations consider managing staff turnover to be a business imperative, it is believed that few organisations measure their staff turnover rate.

Turnover rate is calculated as the number of terminations within the preceding twelve month period, divided by the average number of people on the payroll through the year, multiplied by a hundred to give you a percentage turnover figure (Terborg and Lee 1984; O'Connell and Kung 2007).

2.4 The War for Talent

With the shift from the Industrial to the Information Age there has been a relative decline in the valuation of tangible assets with a move to intangible ones, such as intellectual property (IP), successful brands, innovative ideas etc. It is these assets, underpinned by talent, that gives an organisation its sustainable competitive advantage (McKinsey and Company 2001).

With increased globalisation, a seller's market exists for top performing skilled talent worldwide. Organisations are therefore finding it increasingly difficult not only to recruit, but further to retain those knowledge workers that they have currently employed (Sutherland, Torricelli and Karg 2002). In fact, despite fluctuations in the economy and the labour market, projections indicate that there will be a shortage of skilled talent, until at least 2020 (Tulgan 2002),and that the war for talent is going to rage when 75 million *baby boomers* start retiring, while only 45 million *generation x's* are set to replace them (Branham 2005).

Due to the undersupply of skilled talent there will be an increase in knowledge worker mobility, and this will be especially prevalent in South Africa, as we have a shortage of suitably qualified black managers.

It has been suggested that this is a war where there can never be an outright victory, rather it is going to be an ongoing and costly battle. Organisations are going to have to rely on a two-sided attack, that is, focusing on retaining their existing staff whilst finding imaginative hiring practices to source the best talent (Holtom et al. 2005).

Some organisations may feel that poaching the talent that they require is a cheaper and quicker option, than appointing junior employees and developing them over time (Cappelli 2000). To combat this, a common weapon in an organisation's arsenal is the use of golden handcuffs, whereby organisations try to lock in valued employees by using deferred compensation packages. The problem with these approaches, and other forms of remuneration based retention strategies, is that these may be easily countered by organisations using the *golden-hello's,* in the form of signing bonuses and other incentives to change employers (Cappelli 2000).

2.5 The changing psychological contract

Most employment relationships arise out of formal discussions as to the reciprocal terms and conditions of that relationship which may be reduced to writing, there is also a set of implied promises and obligations that may arise. This forms part of the psychological contract that are unwritten, and implied beliefs that each are obligated to provide (O'Donohue, Sheehan, Hecker and Holland 2007). Hence, a psychological contract may be best explained as the implicit and unspoken mutual expectations that govern the relationship between the employer and employee (Strydom 2009).

Rousseau (1998) has written extensively on this topic, writes that the basis of the psychological contract is one of a perceived obligation of reciprocity. These potential expectations may take the form of salary increases, promotions, opportunities for training and development, or being assigned further responsibility and interesting assignments.

Psychological contracts are formed during the recruitment process, and often this is when things get skewed, interviews are often rushed, interviewees feel powerless to fully participate and may lack self-knowledge about their expectations of the employer. Employers also make the mistake of implying obligations which they cannot deliver on, and by not being completely forthright regarding the position to be filled (Branham 2005).

When the employees psychological contract expectations are met, it was found that employees will have an increased obligation to conform and contribute, which in turn will lead to an increased organisational commitment and intention to stay (Flood et al. 2001). Kotter (1973) sums this up concisely by stating that, the more expectations are met, the greater the job satisfaction will be, thus productivity will improve and there will be a greater likelihood of retaining the employees.

Failure to meet a key expectation may lead to the employee feeling betrayed, as if the employer in bad faith broke the contract (Branham 2005). It has been shown that any violations of psychological contracts may lead to a decline in trust and a higher likelihood of the employee ultimately resigning from the organisation (Flood et al. 2001).

Ultimately, it is immaterial whether the employees expectations were realistic or not, failing to meet them will lead to costly staff turnover, hence staff expectations must be carefully managed (Branham 2005).

2.6 Factors contributing to Attrition

Organisations, their leaders and managers, need to know the real reason why employees leave their organisations. They will have to accept that it is possible that it was an act or omission by management (and the recruitment process) that lead to the employee resigning (Branham 2005).

Branham (2005) believes that most employees fail to disclose their true reasons for resigning as they do not wish to burn their bridges with their previous employers. He goes on to state that the Saratoga Institute findings state why people leave, that is, what managers believe verses the reality of a situation. They found that 89% of managers believe that employees resign for more money, whereas only 12% of staff does so, the rest resign for reasons other than money.

The employment relationship is reciprocal in nature, and on the most basic level can be viewed as the employee tenders service, and in return the employer remunerates the employee. This relationship is dynamic, with the employee continuously wishing to maximise his own self interest in terms of psychological and financial outputs from the organisation. Should an employee maximise their return on investment with their current employer, they are more likely to stay. If however, they can maximise their return elsewhere they are more likely to resign. The employer on the other hand, has increased expectations of the employee, the more they invest in them. This however, will reduce the attractiveness of the job from the employee's perspective. Essentially, employers have to be conscious of the balance between their investments and their expected contributions (Shaw et al. 1998).

While numerous studies have been conducted on causes of attrition and staff turnover, Sutherland and Jordaan's (2004) table provides factors contributing to staff retention.

Table 1: The most important variables affecting retention

VARIABLES:
1.Lack of challenging work
2. Your level of trust in management
3. Lack of career development opportunities
4. Incentive / bonus / variable pay
5. Base pay
6. Individual recognition and praise being given
7. Freedom to work independently
8. Career planning by the organisation
9. Relationship with immediate boss
10. Issues you raised being unattended

(Sutherland and Jordaan 2004)

From the above table, it can be seen that pay and pay related causes of attrition are in fact only the third and fourth main causes of attrition.

Literature suggests, as supported by Table 2 below, that there is often a disconnect between the reason employers believe that employees leave organisations, and the real reasons for turnover (Aplin 2009; Branham 2005).

Table 2: Real vs. Perceived reasons for staff turnover

#	ACTUAL REASONS EMPLOYEES LEAVE	#	REASONS EMPLOYERS BELIEVE
1	Lack of trust in senior leaders	1	Insufficient pay
2	Insufficient Pay	2	Unexpected job / career opportunity
3	Unhealthy / undesirable culture	3	Decision to change careers
4	Lack of honesty / integrity / ethics	4	Lack of work – life balance
5	Lack of training and development	5	Lack of training and development

(Aplin 2009)

Table 3: Ten most preferred retention strategies

#	STATEMENT
1	A competitive remuneration package
2	Opportunities for development in your area of expertise
3	Incentives linked to performance
4	Challenging work assignments area of expertise
5	Freedom to plan and execute work independently
6	Colleagues that you feel you can learn from
7	Growth potential of the industry
8	Access to leading edge technologies and products
9	Progressive leadership which allows you to do things differently
10	Share in the profits of the business

(Kinnear and Sutherland 2000)

Due to the disconnect between managers perceptions of why staff resign and the real reason as to why they do, this has lead to the implementation of incorrect retention strategies. Table 3 above shows that managers continue to focus on remuneration as their primary retention strategy. As seen in Table 1 and Table 2, remuneration is not the largest contributing factor for attrition.

2.6.1 Shock events

Although some employees are relatively satisfied with their jobs, they may be exposed to a sudden and unexpected incidents know as a *shock event*, which may later be attributed to their subsequent departure (Sutherland and Jordaan 2004). Shock events, which may be positive, neutral or negative in nature, force on an employee to re-evaluate their status quo and to challenge their thinking about their job (Holtom et al. 2005).

Shock events may be work related or personal in nature, they may be expected or unexpected. Examples of the work related shock events include receiving a job offer, having an altercation with a superior or colleague, receiving a negative performance review, or not receiving the promotion that was expected. Examples of personal shock events may include the transfer of a spouse, changes in one’s family such as a death or birth, winning the lotto and so on (Holtom et al. 2005).

It is believed that these once off shock events contribute more to staff turnover than the dissatisfaction accumulated over time (Karsan 2007; Holtom et al. 2005). Branham (2005) also believes that turnover is not a once off event but rather an ongoing process of disengagement often triggered by some stimulus, and that as many as 63% of voluntary turnover was due to a shock events.

2.6.2 Pull Factors: External to an organisation

Influences external to the organisation are considered to be *pull factors*, where employees are motivated to seek attractive outside opportunities (Aplin 2009).

2.6.2.1 Unsolicited approaches

Even though management can focus on and remove many of the *push-factors* by making their organisation a rewarding and pleasant place to work, they have little control over the unsolicited approaches (pull factors) from employers competing for that talent (Cappelli 2000).

2.6.3 Push Factors: Internal to the organisation

Push Factors are those internal factors that management have within their own scope of control and are thus able to influence. In David Aplin's Recruitment study it was found that 51% of all respondents were motivated more by these *push factors,* than a desire to seek outside opportunities. It is however, these *push factors* that act as the first stimuli and make employees more susceptible to pull factors (Aplin 2009).

In the Saratoga Institute's findings, as published by Branham (2005) they identified numerous causes of staff turnover, the majority of which were *push factors* originating from within the organisation, see Figure 1 below.

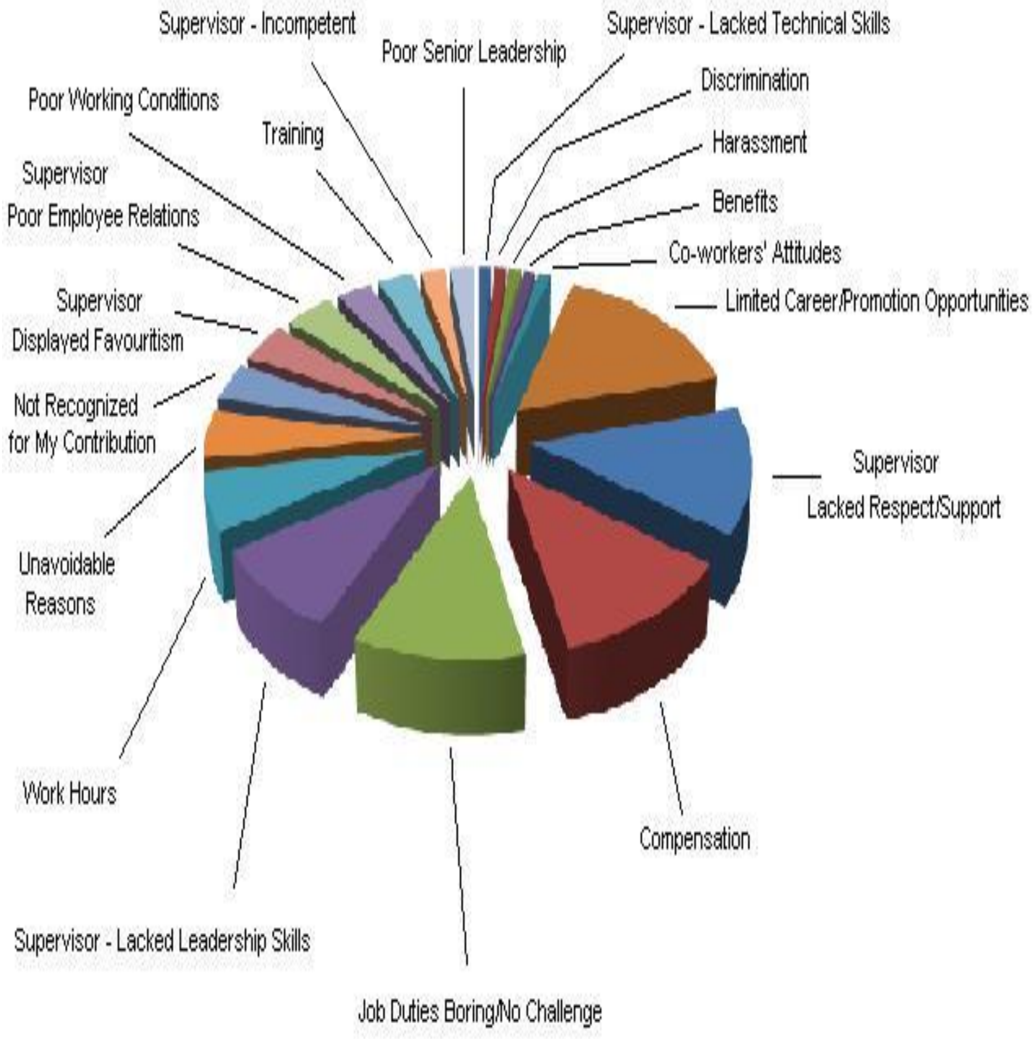

Figure 1: Why they left (Branham 2005, pg.21)

2.6.3.1 Job satisfaction, Organisational commitment and the Intention to leave

Jovanovic's (1979) predicted that there was a high correlation between worker productivity and tenure, with higher productivity the longer the employee was likely to remain with the employer. He goes on to write that low performing employees are likely to select themselves out of a job. What this particular study failed to make clear was whether poor performing employees resign voluntarily or whether they are terminated.

Branham (2005) identified *Thirteen Steps* in what the he calls the *engagement to departure process*. It is clear from the diagram below that there is a process that employees go through, from employment engagement to ultimately resigning from the organisation, and that management must be aware that certain employees may disengage and not leave the organisation, regardless of market conditions

.

Figure 2: Thirteen steps in the engagement-to-departure Process
(Branham 2005, pg.12)

A study conducted by Bluedorn (1982), found no linear or curvilinear correlation between employee performance and length of tenure. Holtom et al. (2005) study found that shock events contribute more to labour turnover than accumulated job dissatisfaction, but that job satisfaction was still important enough not to disregard.

Hellman's (1997) study found that the higher the dissatisfaction of employees the greater the likelihood that they were to consider alternative employment. It was also found that job satisfaction did not necessarily impact on work performance, however it did predict intentions for resigning.

Sutherland and Jordaan's (2004) study found that nearly 50% of their respondents were satisfied, or very satisfied with their job, 67% of the respondents were actively in the job market, and a quarter of the respondents anticipated leaving the organisation within a year, and 60% intended resigning within 2 years. Of the same sample over 80% indicated that they were committed to the organisation. It is therefore clear from this study that the correlation between satisfaction, commitment and retention is weakening, and that employees are increasingly resigning organisations despite being highly-satisfied.

2.6.3.2 Management issues

There is a saying that people join companies, but they leave their managers (Branham 2005). Employees want to work for top organisations and if pushed these same employees may propose that a great organisation is one that is well lead, well managed and that has a corporate culture and values that they admire. Thus there are two elements of culture that are important, an open and trusting environment and a strong performance emphasis (McKinsey and Company 2001).

All employees require some degree of guidance and direction, and they also need to be able to have access to their managers when they have questions or issues of concern (Arthur 2001). One of the most common reasons for voluntary turnover is that of poor management. Management may contribute to turnover by inconsistent application of work rules or through their erratic behaviour. They may be inflexible and punitive when the situation may dictate a different approach (Laser 1980). A lack of performance coaching and feedback (by managers) is a major contributor of staff disengagement and turnover (Branham 2005).

Day-to-day coaching is essential not only to acknowledge the employees satisfactory performance but also to highlight areas of improvement and development. Far from being seen as a negative process, a formal performance appraisal system, if done correctly can be an excellent opportunity to give recognition to employees. However, if done infrequently or incorrectly may be a major source of dissatisfaction (Arthur 2001).

Senior management is also responsible for creating an environment of social support by management and peers within the organisation. The greater the support the higher the employees job satisfaction will be, and this will lead to a reduction in that employees propensity to resign (Price 2001).

In Sutherland and Jordaan's (2004) study of the top ten most important variables affecting retention, a number of the variables could be directly linked to management, specifically the level of trust in management, employee recognition and praise being given, relationship with the immediate manager, freedom to work independently, and issues that are raised but not attended to.

In a 2009 survey of 1,600 respondents, 69% of employees stated that prior to resigning from their employer they had raised their concerns with the management of the organisation. Of these respondents, 21% would have stayed if their manager tried to change the situation, and 38% would have stayed if the situation had changed successfully (Aplin 2009).

Sutton (2007) in his work on T*he War For Talent Is Back,* identified five key lessons for retaining talent within organisations, his fifth lesson was graphically stated as the "*no asshole rule"*. Here he writes that *generation x and y* employees are not going to tolerate managers or colleagues that are unpleasant to work with. Knowledge workers were likely to leave organisations with managers that were unpleasant to work for, even if this meant accepting alternative employment for less pay (Sutton 2007).

Therefore, organisations may achieve a major competitive advantage and drastically reduce labour turnover by investing in better training and compensation for management (Hinkin and Tracey 2000).

2.6.3.3 Pay / Remuneration

Even though 89% of managers believe that employees resign for more money, it was found that between 80% to 90% of employees resign for reasons not related to money (Branham 2005). A possible reason for the exaggerated figure is that pay is often the excuse given for leaving, rather than giving more honest and personal reasons, for fear of damaging their relationship and jeopardising future references (Laser 1980).

Employees wish to receive remuneration that is equal to the value that they create within their origination and incomparable to what they would have received working for a similar organisation (McKinsey and Company 2001). The issue of remuneration is important not just in terms of being able to pay their bills, it is a way for them to be able to measure their worth (Branham 2005). Employees, however require more than just remuneration, they also need to be recognised and valued for their individual efforts and contributions (McKinsey and Company 2001).

When considering remuneration issues one must take into account the cash component as well as the equivalents, to be exact fringe benefits (Price 2001). It would seem that employees consider reward in a broader context than just remuneration. They also consider leading a balanced lifestyle, as well as personal development as part of the *whole package* (Sutherland *et al*. 2002).

In Kinnear and Sutherland's (2000) study it was found that competitive remuneration package was the primary preferred retention strategy that an employer could employ. Shaw *et al*. (1998) believed that compensation and benefits are the most visible retention strategy that an employer can employ, and that retention is on an increased through higher pay as this maximises the employees self-interests.

In another study 39% of organisations responded that pay and job prospects were the main reason for knowledge workers resignations. Unfortunately, in this study the term *job prospects* were defined very broadly to include wanting a more challenging job, perceived career stagnation, wanting to join a more progressive organisation, and so on (Horwitz et al. 2003).

Huang *et al*. (2006) found that the tenure of an employee was longer when that employee's remuneration was higher than those of his organisational peers, and those external to the organisation. It is also interesting to note that employees assess their remuneration in two ways. Firstly internally, they can determine whether their remuneration is fair, in respect to their relative contribution in the organisation. And second, externally, they can access how they are remunerated relative to the market, and should they be paid below the market rate they would conclude that their employer either does not value their contribution, or lacks the ability to pay market related salaries (Huang, Lin and Chuang 2006).

Employees are also concerned with more than just their remuneration, they believe that the fairness of remuneration is important (Branham 2005). Inconsistent management of pay and benefits will have an obvious effect on the turnover of an organisation (Laser 1980).

Branham (2005) submits that the first law of retaining staff is to pay market related remuneration packages. He proposes that dissatisfied employees will leave for a 5% increase in remuneration, whilst it would take a minimum of a 20% pay increase to entice a satisfied employee away from an employer.

Although issues relating to pay were not the most important issues raised that affected retention, they were however ranked highly in Sutherland and Jordaan's (2004) study, where incentives / bonuses and variable pay was ranked the fourth most important issue followed closely by base pay.

2.6.3.4 Lack of development opportunities

McKinsey and Company (2001) stated that talented people crave the opportunity to grow, and without this they will leave. They go on to say that employees realise that their only real security is not their current job, but rather how marketable they are in the job market. Hence, their need to continuously develop their skills and rather than wrapping employees in cotton wool, employees actually prefer to be stretched and allocated challenging and rewarding assignments.

Butler and Waldroop's (1999) observation was that most important to new MBA graduates is not remuneration, but rather whether their position will advance their long term career aspirations.

In a study on attributes of employers of choice by Sutherland *et al*. (2002), they determined that employees ranked the most important attribute as, corporate culture of career growth and challenging work. Secondly, they ranked personal training and development opportunities. What was interesting was pay and it being linked to performance, and profit sharing was only ranked third, out of 11 factors.

Sutherland and Jordaan's (2004) study into the most important variables affecting retention found that challenging work was the highest ranked variable, with lack of career development opportunities the third most important variable given.

Organisations are faced with a dilemma, as they develop and train employees the more marketable they become, however, not providing employees the opportunity to advance and develop their competencies will simply result in them resigning (Sutherland et al. 2002).

Hinkin and Tracey (2000) further proposes that organisations that have human resource practices that provide growth and development opportunities, though creating a work environment that is supportive, are more likely to retain their staff.

Hinkin and Tracey (2000) also compared three similar organisations in New York, and found that while one organisation paid higher labour rates, offered substantial training, invested a lot of time in recruitment and selection and seemed to be overstaffed, the stores actual labour costs was lower than those of the other two stores that did not make the same investment. It is important to note that labour costs were determined as the total cost of the employees divided by the organisations turnover. Therefore, the successful store, while spending more on their staff had the benefit of a highly motivated staff force, satisfied customers and much greater revenue than the other stores.

Hence, organisations may afford opportunities to their staff development through funding their studies, it may be highly beneficial to attach such funding to a bond / service tie in, especially for younger entry level recruits (Horwitz et al. 2003).

When employees wish to be developed it was found that employers whose promotions were fast tracked relative to their peers displayed a tendency towards a shorter tenure. A possible reason for this is that the employees fast progress may act as a signal to them and the market regarding their abilities and competence (Huang and Lin et al. 2006).

It would consequently seem that employers are caught in a catch twenty two, organisations train their employees so that they can leave, or else they will leave. As a result, the more marketable employees are made, the more likely they are to retain them, and thus the converse is also true if employers are not prepared to invest in and grow their people, they stand a greater chance of losing them (Branham 2005).

2.6.3.5 Exciting / Challenging Work

Knowledge Workers need to feel passionate about what they do. They want challenging jobs that are interesting. In fact, a great job may be one that is considered demanding and stretches the employee, and ultimately may be considered worthwhile (McKinsey and Company 2001).

Cappelli (2000) cites an example of the United Parcel Service's (UPS), who noted that they were losing drivers who took months to train and to replacement. By focusing on job design they were able to remove the tasks that were considered tedious and exhausting from the tasks of the drivers and created a position of loaders. The result was an improvement in the retention of drivers, although there was still a high turnover of loaders. However, they were easy to replace and train.

Managers make the mistake of assuming that employees who have a higher level of performance are happy in their work, these managers have misunderstood the psychology of work satisfaction (Butler and Waldroop 1999). They go on to state that only if the employees work matches their deeply imbedded life interest's will they be happy, engaged and ultimately likely to be retained by the organisation.

Butler and Waldroop (1999) suggests that management responsibility, which is often neglected, is that of developing a customised career path based on the employees embedded life interests. Failure to do so will result in reduced commitment, dissatisfaction and then ultimately the migration cure of resigning from the organisation, as if it was the organisation rather than the job that was the problem.

Knowledge workers require progressive leadership that allows them freedom to plan and execute their work, and the ability to apply their unique talents through independent work (Kinnear and Sutherland 2000).

2.6.3.6 Mismatch between job and person

A common mistake that managers make is to over sell the virtues of a position or the organisation itself, and they neglect to mention some of the less pleasant aspects of the job. Should an applicant accept the position and then find out that there are less than glamorous aspects of the job, they have a higher potential to have turnover casualties (Laser 1980).

To ensure a productive and stable workforce, employers should seek to appoint employees who are both motivated and able (O'Connell and Kung 2007). Employees are likely to have a reduced tenure with an organisation should they lack the required skills or have different interests to that of the organisation (Laser 1980).

Employee motivation is influenced by their *fit in the organisation* in terms of their desired type of work that they must perform to the actual job, as well as how well their own preferences fit into the organisational culture. The greater the employees fit in the organisation, the higher their motivation, performance and ultimately their propensity to remain with that organisation (O'Connell and Kung 2007).

Employees also wish to understand how their job fits in with the organisation as a whole, and how their efforts contribute towards attaining the organisational objectives. They also seek support for their own goals, interests and work styles, and wish to know that they are valued by the organisation (Arthur 2001).

Those employees with a poor organisation fit are not only likely to have a higher propensity to leave, they further, prior to leaving have a negative impact on the morale of otherwise content employees (Laser 1980).

2.6.3.7 Too few growth and advancement opportunities

Promotional prospects are the degree to which there exists the opportunity for occupational mobility within an organisation. The greater the number of opportunities for promotion, the greater the likelihood of reducing turnover within the organisation (Price 2001).

McKeown (2009) states that employees whom are not afforded opportunities for development and growth are more likely to leave organisations, and that they shall be more likely to do so as the economies of countries improve as they emerge from the recession of 2009 to 2010. He goes on to state that these stagnant employees will be the first to resign, taking valuable organisational knowledge with them (McKeown 2009).

In 2009, Development Dimensions International (DDI) conducted a survey of 1,000 specialists and professional individuals in the USA workforce, half of whom responded that they felt their jobs were stagnant (DDI 2009). Of those respondents who stated their jobs were stagnant versus those who were content:

- They had no room for advancement (32% vs. 18%)
- Are less likely to be asked to do more (14% vs. 27%)
- Are given fewer exciting challenges (3% vs. 26%)

Hence, companies do not guarantee work for life, and these days employees don’t expect to remain with an organisation for their entire career. This is supported by the Bureau of Labour Statistics (USA) figures in January 2010, which determined that the medium length of tenure of wage and salary workers in the United States of America to be 4.4 years.

Branham (2005) identified the following factors contributing to too few growth and advancement opportunities (Branham 2005):

- **Limited growth and advancement opportunities**
  Employees feel that they get stuck in their positions, or that promotions only happen within departments with little or no prospects of promotions into other departments.
- **Unfair or inefficient internal selection process**
  Organisations either failed to have an internal promotion policy or where it did exist, and then they failed to comply with it.
- **Not hiring from within the organisation**
  Organisations that failed to recognise the existing talent within their own organisation, and preferred to recruit external candidates.
- **Unfairness / favouritism in promoting decisions**
  Organisations that rely on favouritism or organisation politics to make their promotion decisions or managers that would not recommend a promotion of a subordinate, as they did not want to lose that employee.
- **Insufficient training**
  The lack of training opportunities to either improve one's performance in one's current position or to broaden ones career prospects within the organisation.

2.6.3.8 Feeling devalued and unrecognised

Organisations often make the mistake of treating all their staff the same, and fail to differentiate between their top and poor performers. Organisations must have clear and objective assessments of their staff and therefore treat them accordingly (McKinsey and Company 2001).

Branham (2005) lists a number of ways employers make employees feel devalued and unrecognised:

- Lack of simple appreciation;
- Focusing too much on the numbers and not enough on the people;
- Not giving recognition (consistently) where deserved, or giving it too late to be meaningful;
- Making employees feel as if no one knows or cares that they exist;
- Not listening to their staff;
- Making staff feel as if they are worth less than employees at other organisations;
- Not paying for performance and giving the wrong type of rewards;
- Unpleasant / unsafe work place and physical surroundings;
- Not providing employees with the right tools.

2.6.3.9 Stress from overwork and work-life balance

Branham (2005) also lists a number of ways that employers contribute to stress, they are:

- Being understaffed or leaving vacant positions unfilled for extended periods;
- Employers failing to deal with abuse / harassment / insensitivity by management, colleagues or customers;
- Expecting staff to sacrifice family and personal life;
- Inflexible work hours.

He goes on to cite findings from a number of different surveys showing that 26% of employees feel burnt out, 40% say their jobs are very / extremely stressful and 55% say that they sometimes feel overwhelmed by the volume of work they have. Stress leads to employees becoming dysfunctional, reducing their productivity and ultimately leading to staff turnover (Branham 2005).

2.6.3.10 Poor on-boarding / Induction

Employees require a written job description, and that their job roles and standards are sufficiently defined. A failure to properly induct and train new employees result in them getting off to a bad start with little or no idea of what the required work expectations are. These problems will multiply over time, often resulting in the employee leaving (Laser 1980). Poor on-boarding particularly leads to increased staff turnover in first few months of employment.

2.6.4 Employee specific factors

While there are numerous factors both internal and external to the organisation that contributes to labour turnover, there are further a number of employee specific factors that influence to what extent these pull or push factors will have on the individual.

2.6.4.1 Age

Hellman's (1997) study found that employees younger than 49 years old were more likely to change employers, than those older than 49 years of age. This was attributed to younger employees having less vested interested in the organisation, and was more inclined to wish to find and make their place in the world. Older employees were more likely to focus on security, stability and their retirement.

In their study Sutherland et al. (2002), found only one age specific factor for the employer being a global player, and that was that employees younger than 26 years of age found it more important than older employees. The authors also proposed that this group may have been motivated by the opportunity to receive international exposure or a desire to emigrate.

It is generally accepted that age has an impact on staff turnover, whereby the younger the person the more likely they would be to voluntarily resign. However, age alone would be unlikely to influence turnover, unless it were linked to other factors (Acirrt 2010).

2.4.6.2 Gender

Mobley et al. (1979 as cited in Accrit 2010) study, suggests that there was little differentiation between gender other than to act as a moderator in the age turnover relationship, whereby woman are less likely to quit their jobs the older they became.

However, Huang et al. (2006) study provides a certain level of ambiguity regarding their results, they found that men have a shorter length of tenure than their female counterparts. On further examination they reasoned that this may be due to women having a lower level of education, and thus were less marketable.

In an earlier study by Sutherland et al. (2002) there were a number of differences in the responses of men and women. The women rated development opportunities higher than the issue of pay which men found to be more important.

2.6.4.3 Tenure

It is suggested that tenure is negatively linked to the propensity to stay with an organisation, whereby those with a longer length of service are considered more likely to stay with an organisation (Acirrt 2010). This supports a much earlier proposition that those employees with a longer tenure are more likely to be those with less of a propensity to change jobs (Jovanovic 1979).

Employees with a shorter length of service may have a higher propensity to leave an organisation, as it is only once they commence employment with that organisation, that they are able to accurately assess their own fit to the organisation (Tziner and Birati 1996).

The findings of the Indian Employee Retention Survey Research Report, indicated that length of service had a direct impact on an employee's propensity to leave an organisation. Only 45% of all attrition happens within the first 2 years of employment (Yiu and Saner 2008).

O'Connell and Kung (2007) attributes staff turnover of employees with a short length of service, to issues related to poor selection where candidates with poor cultural and motivational fit or lacking in suitable qualification are appointed.

Tziner and Birati (1996) proposed that new employees are more likely to be placed under greater scrutiny and tested more than existing employees, and as such there is a greater likelihood of these new employees leaving voluntarily, or through being terminated by their new employer.

Hellman's (1997) study determined that employees with less than 10 years of service were more likely to leave than those with more than 10 years. This was attributed to the employees being in their early career, and thus more likely to leave their jobs and relocate than those in their middle or late career.

Length of service with previous employers may be an indicator of an individual's propensity to remain with the new employer. Those employees with a lower average length of service are more likely to have a shorter length of service with the new employer, than those with a longer average length of service (O'Connell and Kung 2007).

2.7 Conclusion

Why knowledge workers elect to remain or leave an employer is a complex question and in attempting to answer this, one must understand the key issues that influence the employee’s decision. These issues understand what is a knowledge worker, labour turnover, the war for talent, the changing psychological contract, and the factors contributing to attrition.

Labour turnover is caused by a number of factors, namely voluntary turnover or quits, when employees leave an organisation voluntarily (Stovel and Bontis 2002), then there are discharges or involuntary turnover whereby an employee’s services are terminated by their employer, as well terminations due to the employee retiring, or by being transferred.

In understanding the phenomenon of labour turnover one must further consider the emergence of knowledge workers and their unique characteristics which impact on their decisions to stay with an organisation, and the organisations ability to retain them.

Knowledge workers are those individuals that are highly qualified and engage in continuous learning, and as such they use their brains rather than their muscles to earn a living (Drucker 2001). Knowledge workers require a high level of independence and autonomy and as such cannot be managed like manual workers. This together with the fact that they own their means of production, which is between their ears, makes them highly mobile (Drucker 1999).

At the same time that a new breed of highly qualified and mobile workers have emerged, so too has *the war for talent*. In this war the battle lines have been drawn on recruiting and retaining top performing individuals (Sutherland et al. 2002). This war was declared due to a shortage of suitable qualified individuals in the job, as the *baby boomers* start retiring and there are too few *generation x's* to replace them (Branham 2005).

Although organisations may engage in numerous tactics in *the war for talent*, they should be aware of the underlying psychological contract in all employment relationships. Even though there may be a formal contract specifying the literal terms and conditions within an employment relationship, there are also unspoken mutual expectations between both parties (Strydom 2009). Should an employer fail to meet the employee's expectations, regardless of whether these expectations are realistic or not, this may lead to the employee resigning from the organisation.

Once organisations have obtained an understanding of who knowledge workers are, and how they like to be managed, they need to strengthen their arsenal in *this war of talent* by understanding all the factors that contribute to labour turnover. There are two main categories of factors, that is the pull and push factors.

Pull factors are where employees may seek attractive opportunities outside of the organisation (Aplin 2009), and these may take the form of unsolicited approaches (Cappelli 2000) or labour market influences (Terborg and Lee 1984).

Push factors on the other hand, are those internal factors that motivate an employee to start exploring alternative employment outside of the organisation. There are numerous factors that push an employee, which are job satisfaction and organisational commitment, management issues, pay, lack of development opportunities, exciting work, mismatch between job and person, too few growth opportunities, feeling devalued, stress and poor induction. There are also a number of employee specific factors such as age, gender and tenure.

Managers may engage in extensive research into the phenomenon and causes of labour turnover, it is only once they have a clear understanding of their own unique organisation and those factors in play within it, that they can start building an arsenal to combat staff attrition.

2.7.1 Main research question

The primary purpose of this study is determining those factors that contribute to the attrition of knowledge workers.

2.7.1.1 Research question one

Why do knowledge workers resign from organisations?

2.7.1.2 Research question two

What factors contribute the most to knowledge worker attrition?

Chapter 3: Research Methodology

3.1 Research methodology / Paradigm

A qualitative methodology was used for this research and it took the form of a single site case study.

As this study was limited in scope, it was exploratory in nature, as it was believed that qualitative research would be best suited for this type of research (Creswell 2003), based on a view that reality is constructed by individuals interacting with their social worlds (Merriman 1998) and that it concerns itself with:

- How individuals interact with and make sense of the world within which they live;
- The researcher is directly involved in data gathering and the interpretation thereof;
- The researcher will use field work so that behaviour may be observed in its natural setting;
- That qualitative research builds a hypothesis rather than testing an existing one;
- The result of the research is richly descriptive and uses words and descriptions rather than numbers.

As the researcher was the primary research instrument, this had the advantage of allowing the researcher to be flexible and increases his ability to collect and interpret data. With this general lack of rigid structure the researcher was able to adapt to circumstances and rigorously pursue meaning. Along with this increased flexibility there was, however, ambiguity with little or no set process or protocol to follow. Further, the researcher was mindful that as a human and thus fallible, there was a chance that the researcher’s own biases may have interfered with the process, hence data may have been missed or that mistakes may have be made (Merriman 1998).

In conducting this research the researcher was further mindful of a need to be sensitive to the context of the study and the elements thereof, such as the people, their agenda, non-verbal behaviour and the environment within which it took place (Merriman 1998).

3.2 Research design

The research intended to gather a deep understanding of why knowledge workers leave the organisation being studied. As the intention was to conduct an in-depth study, it was proposed that a single site case study be employed for this research.

The case study design allowed for a deep understanding of the issue at hand as well as provided meaning for those involved. Case studies are focused on the process rather than the outcome and are interested more with discovery than testing an existing proposition. In addition, what made a case study the most appropriate design for this research was that the outcome would be useful in future research and policy creation (Merriman 1998). Hence, obtaining a rich understanding of why knowledge workers leave will enable meaningful retention policy creation as well as management development programmes.

3.3 Population and Sample

3.3.1 Case Site

The research used a generalist human capital consulting organisation as the population for this study. The study was across all job titles and includes both genders, in the Gauteng region of South Africa.

The organisation chosen for this study further had as one of its key business imperative, to be the *employer of choice* and further actively measures its staff retention figures as a yard stick of its success in combating staff attrition.

The organisation was established in 1995, initially offering industrial relations consulting service to employers in Gauteng. Over the years it has established branches within most of the major centres in South Africa, with the exception of Polokwane and Nelspruit. It is anticipated that branches will be opened and be fully operational in these centres by no later than February 2015.

The organisation has further positioned itself to provide a broad range of human resource (HR) products and services including Recruitment, Payroll, HR Consulting; Industrial Relations; Skills Development, Employment Equity and Broad Based Black Economic Empowerment Consulting, Occupational Health and Safety Consulting, as well as training and development in all the aforementioned specialist fields. At the time of conducting this research not all of these products are offered in all the branches. The company is, however, in the process of implementing a rollout strategy so as to ensure that all these products and services are offered in every branch by February 2015.

The organisation is mindful of their people are their product and that without them they would not have a business. The company has set the organisation four main business imperatives, one of which is to be an employer of choice. In their value proposition they define being an employer of choice as to be recognised as an employer of choice within their industry, thereby attracting, developing and retaining the very best talent.

The organisation employed approximately 210 employees throughout South Africa, as at 1st September 2011. It is however anticipated, that with the above mentioned February 2015 objectives and further considering the last three years past organic growth, that the organisation will employ a minimum of 400 employees by that time.

In February 2008, the company employed fewer than 100 employees and the staff retention rate was 47% per annum. The management at that time realised that the retention rate would make future growth of the organisation incredibly difficult to sustain and therefore implemented a staff retention strategy. As at 1 September 2011, the company’s rolling 12 month staff retention figure was approximately 70 % per annum. This was a significant improvement of 23%, it however fell short of their target for this period of 75%.

By means of a 70% staff retention and a staff complement of 210 employees, the organisation to maintain current service levels must recruit and train a minimum of 60 employees per annum. Thus, with a projected growth of 20% per annum, this number will increase to 105 employees per annum by 2015 and this obviously places pressure on the HR department to recruit a sufficient number of employees, and for management to train and mentor so that the new recruits provide quality service to their clients.

By February 2015 the required recruitment figure, with the current staff retention rate, would have increased to approximately 200 employees per annum. Management has therefore revised their strategies and set the organisation a retention target of 85% for the period of February 2012 to February 2015.

In 2008, when the initial retention targets were set, the company appointed their first ever HR Executive, up to that point HR had been merely an administrative function that assisted with advert placements and curriculum-vita (CV) screening. By 2011 the HR department had a HR Executive and two qualified HR Managers. In addition, the organisation is in the process of implementing a Human Resource Information System (HRIS).

3.3.2 Sample and sample method

As information-rich individuals were sought for this study, non-probabilistic (purposeful sampling) was used and as such respondents were selected from a target population where not all members had the same chance of selection. This form of sampling is typical in qualitative research where generalisation is not a goal of the research (Merriman 1998)

Merriman (1998) further outlines the process for determining those who will be chosen for the sample:

- Determining the selection criteria;
- Finding those who match the criteria;
- Specifying the sample size;

In answering Merriman’s (1998) above questions the researcher:

3.3.2.1 Selection of Sample

The criteria to determine those respondents from the population of *quits* were determined by choosing:

- Only those employees that resigned from the organisation within the preceding 2 years;
- Of these, only those that had completed an exit interview with HR and a copy of which was on file;
- According to the literature review, employers should be most concerned with those who resigned voluntarily as opposed to those who were terminated, so the study focused on those who terminated their own services voluntarily.
- As the research aimed to exploit maximum variation sampling it was expected that as far as possible, the sample reflected individuals who occupied different positions and managerial levels within the organisation.
- Only those who meet the above criteria and were willing and able to participate in this study were selected.

3.3.2.2 Determining the sample

In determining who the sample of ‘quits’ were, the researcher:

- Reviewed all the exit interview on file and select all those who matched the above criteria;
- The individuals were contacted where possible, to

determine whether they were willing and able to participate in the study;

- From those who confirm that they are willing to participate, the sample was selected that represents the greatest diversity of job title, seniority and reason for leaving given in their exit interviews.

3.3.2.3 Sample size

A sample of eight 'quits' were selected.

Table 4: Profile of 'quit' respondents

Type or respondent	**# (proposed)**
Managerial Staff	**2**
Consulting Staff	**4**
Support Staff	**2**

3.3.2.4 Pilot Research

Pilot study may be used to conduct a trial of the research protocol, to refine data collection plans and to develop lines of questioning. A pilot study may further cover substantive issues such as the empirical evidence as well as methodological ones dealing with logistical matters and relevant questions to be asked (Yin 2003).

From the population of 'quits' as dealt with earlier, an additional pilot sample of one individual was chosen to participate in the pilot study. The researcher conducted the interview with the pilot sample and a case report was written detailing the lessons learnt with respect to the content and logistics of the pilot. The research protocol was then amended accordingly prior to embarking upon the actual research with the chosen sample.

3.4 The research instrument

The population of the study was all those who left the organisation within the preceding two years. From this population an initial sample of the approximately thirty exit interviews on file was used to select those eight individuals who participated in the study.

Interviews were then scheduled with the sample to:

- Establish the individuals reasons for leaving against the themes from the literature and obtain a rich understanding of quit decision why employees resign,
- Test for shock events.

As there are numerous reasons in the literature review given for employees resigning from an organisation, these themes were then grouped into five general themes that were explored during the research. In the literature review, reference was made to Kinnear and Sutherland (2000), Sutherland and Jordaan (2004), Branham (2005) and Aplin (2009) who researched and ranked the top reasons given for employees leaving organisations. Taking these and the other authors' findings into consideration the five general themes that were explored were:

1. Remuneration related issues including basic pay, incentives, etc.;
2. Management related issues, including managerial skill / behaviour, organisational culture, and recognition given;
3. Training and development opportunities including looking at the prospect of promotion, gaining further experience;
4. General job satisfaction and organisational commitment; this will be explored in conjunction with work life balance and work related stress;
5. Mismatch between job and person exploring the recruitment and induction

process.

In the literature review the majority of the studies conducted were quantitative in nature which necessitated the study focusing on narrow topics. As this study was qualitative, it necessitated limiting the number of themes being explored, yet allowed the grouping of related themes, and a deeper and broader exploration of them.

Data was collected by perusing individuals exit interviews and further through person-to-person individual interviews. In this case, it was believed that interviews would allow the researcher to elicit feelings and behaviours and to determine how the respondents interpret the events that unfolded around them (Merriman 1998).

The interviewer used a semi-structured interview so that whilst certain key topics were discussed, there was further the prospects to gain insight into the respondents perspectives and understanding of the world (Merriman 1998).

In conducting the interviews, the researcher was guided by a research protocol formulated with reference to Merriman (1998) and Leedy and Ormrod (2005):

1. Commencing the interviews by ensuring the participants of the confidentiality of what they disclosed;
2. Ensuring that a minimum of one hour was set aside for each interview;
3. That the interview was conducted in an environment in which the respondent is sufficiently comfortable to meaningfully participate;
4. A rapport was established between the interviewer and interviewee;
5. That the interviewer guarded against commencing the interview with any preconceived ideas as to the respondents answers as they may or may not disclose, as well as guarding against any cultural biases;
6. That the interview questions were structured around certain themes, but that there was the opportunity to ask probing and open ended questions so as to obtain a rich set of data;

7. That should the respondents haves shown any non verbal clues in answering questions then the researcher not only record them, but further asked the respondent to indicate why they responded in the way that they did;
8. Focused on the actual rather than the hypothetical and did not put words in the respondents' mouths;
9. The interviewer did not react (verbally or non-verbally) to the responses of the respondents, and did not display surprise or agreement / disagreement to what is said;
10. That a proper record of each conversation was kept.

3.5 Procedure for data collection

3.5.1 Phase one: Existing exit interviews

In the first phase of the research the exit interview of the resignations that were selected to participate in the study were scrutinized to determine common themes that they had.

3.5.2 Phase two: Telephonic / face to face interviews of resignations

In the second phase of the research respondents interviews were scheduled. During these interviews the reasons for the respondents resignations from the organisation were explored along the themes as discovered in the literature review. The interview was conducted along a semi-structured set of questions. A list of the key themes as to why employees leave organisations, as established in the literature review, was put to the respondents. They were asked to comment on them, set questions were asked along the themes and thereafter should the situation have warrant it, further exploratory questions were asked.

Comprehensive notes were kept of these interviews and where particularly important points were made, as close to verbatim record were kept of these.

3.6 Data analysis and interpretation

Leedy and Ormond (2005) proposed a data analysis spiral based on Creswell (1998) work. In the research the following process to analyse and interpret the data was used:

- Organising the data along the themes that were identified in the literature review and as asked in the interviews;
- Use of thematic analysis to review the data collected, initially per respondent and then once sorted into themes, theme by theme;
- The main points of the data were then be typed from a written version into an electronic copy;
- Identified general sub-themes, looking for commonality and a common thread from the respondents versions;
- Writing up the final integrated summary of the data.

As qualitative research had the potential to be influenced by the researcher’s value and biases, the researcher attempted to overcome this by following Leedy and Ormond (2005) guidelines of:

- Acknowledging the researcher’s biases in the final research report;
- Using triangulation or multiple data sources;
- Getting multiple and varying perspectives.

3.7 Limitations of the study

3.7.1 Qualitative research

With qualitative research the researcher’s own values, biases and interpretation may influence the data interpretation (Leedy and Ormrod 2005). The research further lacks numerical data, large sample sizes, structure, predetermined methods and structure and objectivity (Yin 2003).

3.7.2 Case Studies

As with qualitative research, case study research may also be criticised for a lack of rigor and that the researcher may do sub-standard work, fail to follow as set procedure and further may in influenced by his / her own values or biases (Yin 2003). Merriman (2008) states that case studies are limited by the researchers sensitivity and integrity and further by that researchers ethics in that he / she could select from the data to obtain the result that he is seeking.

3.7.3 Interviews

Respondents had to rely on their memories and whilst these are imperfect they are further susceptible to a certain amount of distortion, and may reflect what they believe could or should have happened rather than the reality of the situation (Leedy and Ormrod 2005). It is further possible that respondents displayed their own perceptions of what lead to them quitting and this may not necessarily have reflected the full set of facts.

Further, due to the semi-structured structure of the interviews it was likely that different information was obtained from the different respondents, thus making the comparison of the data more difficult.

3.8 Validity and Reliability

3.8.1 Internal validity

Internal validity answers the question as to what extent do the findings match the reality. With qualitative research there is no instrument between the researcher and the participants so hence internal validity is enhanced (Merriam 1998).

As this study was of an exploratory nature whereby the researcher attempted to gain an understanding of a phenomenon, Yin (2003) is of the opinion that internal validity is thus less of a concern than when attempting to predict causal relationships.

Merriman (1998) suggests enhancing internal validity by using these techniques:

3.8.1.1 Triangulation

Whereby a single phenomenon is examined by making use of information from different sources, in this case both the exit interview questionnaires, as well as the research interviews will be used.

3.8.1.2 Explaining and managing researcher's biases

The researcher was the managing director of the business within which the study was undertaken. Whilst he may have wished to ensure that the business is shown in a positive light, this was overshadowed by his desire to obtain a proper understanding of the causes of attrition in the organisation. The questions for this study were based closely on the findings of the literature review, further limiting the research biases.

3.8.2 External validity

External validity determines the extent of the generalisation of the results and how they could be applied to other situations. Case studies have been criticised for being a poor basis for generalising as they rely on an analytic bases rather than a statistical one (Yin 2003).

However, in this research and with qualitative research in general, we are less inclined to apply the results to other scenarios, but rather we seek to gather an in-depth understanding (Merriman 1998).

3.8.3 Reliability

Reliability refers to the extent to which research findings can be replicated. In qualitative research it is not the intention that the results may be replicated elsewhere but rather given the same data, others would find that the results make sense and that they are consistent and dependable (Merriman 1998) Simply should an investigator do the same case study and follow the same procedures they would arrive at the same results (Yin 2003).

It is anticipated that through the use of triangulation and with proper records of the data that was collected, the themes that were selected and how decisions were arrived at, others would be able to draw the same conclusions from the study.

Chapter 4: Presentation of results

4.1 A single case study report

It was decided that a single site case study would be the most suitable method to determine why knowledge workers leave a consulting business. The research results were tested against the theoretical propositions contained within the literature review.

The case site chosen for this study is briefly introduced in Section 4.2. At the request of the management the anonymity of the organisation was be protected. The demographic profile of the respondents is briefly outlined in Section 4.3 and pseudonyms were used in referencing their responses as the individual's interviewed were further assured of their anonymity prior to the commencement of the interviews. Thereafter, in Section 4.4 the research results shall be presented.

4.3 The case study respondents

A sample of respondents was chosen of those employees who had resigned from the organisation within the preceding two years. The researcher believed that the respondent's anonymity was necessary so as to reduce the likelihood that they would censor their responses in fear that their personal views would become known.

Table 5: Profile of Respondents

Type or Respondent	**# (proposed)**
Managerial Staff	**2**
Consulting Staff	**4**
Support Staff	**2**

As reflected in Table 5, the sample was selected to represent employees from the three broad categories of employees within the organisation. As the demographic factors influencing attrition of employees did not form a component of the research, this was not a major contributing factor in the selection of the respondents. There were, however, an equal number of white and black respondents of which six were male and two female. In such a small sample the researcher was satisfied that the respondents were at least indicative of the demographic diversity in respect of gender, race, age, positions and length of service of the organisation.

All of the interviews took place in Johannesburg, either at the individual's current place of work, at a neutral venue such as a coffee shop, and in one instance at the organisations offices as this was most convenient for the respondent. Although it was always assumed that the respondents would be honest in their responses, what was surprising was that of all those requested to participate in the study, all but one respondent managed to avail themselves and all of the other respondents provided uninhibited and extremely frank responses.

4.4 **Research Question:** What was your primary reason for leaving the company?

4.4.1 Shock events

From the literature review it can be seen that a shock event is a sudden and unexpected incident (Sutherland and Jordaan 2004) which leads to the employee's subsequent departure. Examples of work related shock events include receiving a job offer, an altercation with a superior, receiving a negative performance rating, or not getting a promotion that was expected (Holtom et al. 2005). From the eight respondents, four of them recalled specific incidents that lead to their decision to resign.

A respondent had a telephonic call from his manager, who said that he had had enough and that he could not take it anymore, at that point the respondent decided to leave before he got kicked out. He only started to look for another job after he had resigned. He decided it would be better to have resigned than be unemployed, even though he had financial commitments.

What is interesting is that this case is that the respondent immediately decided to resign, prior to seeking alternative employment.

Another respondent recalls when an executive told the managers that should they not perform in the next three months then they would be out of work, at the time she knew that her branch was not performing. She did not want to leave, but she was working hard yet battling to get results. So she decided she would rather leave than be fired for non-performance, which would have been a blow to her ego. She decided prior to that, that she was going to study and this motivated her to leave and study full time.

In this case it would seem that the respondent had considered leaving to further her studies but had not yet made up her mind to do so, however this shock event prompted her to resign.

In another instance a respondent said that their manager found out that he was considering resigning, instead of trying to find out the reasons why, he gave him an ultimatum by asking him if he were committed or not. This sped up his decision to leave.

Another respondent recalls how, after not receiving an opportunity to apply for promotion, lead him to explore alternative employment elsewhere, and subsequently leaving. He had waited two years for a promotion and he was not even considered at for the promotion, despite being committed to the organisation he would then rather leave, and so he resigned two months later.

From the literature review, Karsan (2007) stated that they believe that shock events contributed more to turnover than accumulated dissatisfaction over time (Karsan 2007; Holtom et al. 2005). Branham (2005) attributed 63% of voluntary turnover to shock events. From this research it was found that eight out of four respondents could recall specific incidents that attributed to their departure.

What is of further interest is that shock events may be either push (internal) incidents, that is an altercation with a manager, or pull (external) incidents. In this study all four of the shock incidents were push incidents directly attributed to managements dealing with a situation.

4.4.2 Pull Factors: external to the organisation

External influences, outside of the organisation and its control, are considered pull factors (Aplin 2009). Management has little control of unsolicited approaches by other employers to their staff members (Cappelli 2000).

The David Alpin Recruitment study found that 51% of turnover was prompted by push factors (Alpin 2009). It can therefore be deduced that there was about a 50/50 split in the push and pull reasons for employees to resign.

The study of pull factors was not a focus of this research and the researcher choose to focus on issues that management had a greater degree of control over, that are push factors. However, it is interesting to note that of all the respondents, only one mentioned any external factor in the decision to resign and this was after an internal shock event had already occurred. The respondent stated that he was not really actively looking for a position at the time he was approached by his new employer who offered me a management position. He received the title, responsibility and the prospect of career growth, the bonus was the money.

From the sample of respondents none cited any external factor for them leaving the organisation, the respondents were motivated by push factors within management's control.

4.4.3 Push Factors

As mentioned previously, the vast majority of the respondents cited push factors as their motivation to terminate their services with the organisation. For ease of reference the researcher has used the same headings as those in the literature, to group the respondent's responses.

4.4.4 Job satisfaction, organisational commitment and the intention to leave

Hillman's (1997) study found a correlation between job satisfaction and the likelihood of an intention to leave. His study was, however, contradicted by Sutherland and Jordaan's (2004) later study that found a weakening of the correlation between satisfaction, commitment and retention.

Branham's (2005) engagement to departure process identified thirteen steps from starting a new job to ultimately leaving. He therefore forwarded a hypothesis that there was a well thought out process that employees engage prior to leaving. This is, however, contradicted by Bluedorn (1982) study that found that accumulated job satisfaction was an indicator of turnover, shock events however contributed significantly more.

With reference to Branham’s (2005) thirteen steps in the engagement to departure process, the researcher has attempted to place each one of the respondents on one of Branham’s (2005) thirteen steps, at the time of their decision to quit. In so doing this will test Branham’s theory.

4.5 Summary of Results

4.5.1 Respondent 1

In this respondents interview she stated that this was her first proper job and that she was not sure whether this is what she wanted to do for the rest of her life. In her exit interview with HR she stated that her job became mundane and she got stuck in a rut both professionally and personally and thus decided to resign.

The respondent further explained that she considered alternative positions in the organisation however she did not want to move into consulting nor become a manager, however there were no other growth prospects. This lead her to start feeling dissatisfied in her existing position and thus frustrated, hence she put her CV out into the market but not really looking. In December, she actively started looking and resigned in February.

It seems that this respondent had given a lot of thought to her personal and her professional life, and that over time she determined it was time to make a change. For all of the respondents, this respondent best explained her movement along Branham’s (2005) thirteen steps from engagement to departure.

4.5.2 Respondent 2

This respondent stated in his exit interview that when he raised concerns, problems or suggestions, they were not really taken into consideration. Later when interviewed by the researcher for this study he stated that when driving back from his honeymoon with his wife, he discussed their future and he decided to finally make a move.

It is clear that this respondent had an issues that he found unpleasant in the work environment, he attempted to change things, however when that did not work he resolved to resign. After his honeymoon, and then earnestly sought alternative employment.

4.5.3 Respondent 3:

From the interview with this respondent it was clear that the decision to resign was given a lot of thought and that he took into account his current situation and future personal aspirations. He considered what he wanted to achieve at retirement, and that was a home, to support his family and cover health care costs.

The respondent clearly followed a clear disengagement process when he considered resigning, and then actively sought alternative employment, which he did.

4.5.4 Respondent 4:

This respondent clearly skipped a number of Branham's (2005) steps, whilst he may have been somewhat dissatisfied and as such thinking seriously about resigning after a shock event with his manager. At that point he decided to leave before he got kicked out, he only started to look for another job after he had resigned. The respondent clearly moved from thinking seriously about resigning to resigning without a job.

4.5.5 Respondent 5:

This respondent was thinking seriously about resigning, and according to Branham's (2005) step three, this decision was hastened by the executives ultimatum to the managers that they had three months within which to perform. The researcher would therefore propose that this respondent's decision to resign was based on a shock event. Though her general dissatisfaction would likely have led to her leaving in any event, her path would not have followed Branham's (2005) step, as she was always going to leave to pursue her studies. However if the respondent had been highly satisfied and committed, would she have postponed or abandoned her studies, or was it inevitable that she would have resigned in any event.

4.5.6 Respondent 6

It would seem that this individual experienced two shock events in a short period of time leading up to his departure from the organisation. The first was when he was over looked for a promotion and he said that despite giving the company his all he would rather leave. Thereafter the second shock event occurred, he was not really actively looking for a position at the time he was approached by his new employer who offered him a management position.

After the first shock event the respondent was at the stage of resigning. He immediately moved from there to accepting a new job in a management position with a new employer.

4.5.7 Respondent 7

A shock event finally hastened this respondents exit from the organisation, it is however clear that he had given the proposition a lot of thought and that he had considered numerous options should he exit the organisation.

When he looked at all the skills that he had as a manager, and that he was a black person, with all the skills that he had received as a consultant and then a manager. Why not leave and go start something for himself.

4.5.8 Respondent 8

In the case site, new consultants are provided with 3 months of training, prior to commencing actual consulting work to clients. In return for this training, consultants are required to sign a 12 month training bond. It is clear that this respondent resolved to leave soon after commencing employment, and that he would have left immediately if it were not for the training bond. He therefore served his training bond period and got experience and then resigned at the end of the one year period.

It is therefore clear that this respondent resolved to resign early on, however he then actively sought alternative employment and then resigned at the at the first opportunity to commence employment elsewhere.

4.6 Discussion of Results

4.6.1 Management issues

From the literature review we find that people join companies, but they leave their managers (Branham 2005). This is supported by Sutherland and Jordaan’s (2004) study, which found five of the top ten variables affecting retention, could be attributed to management related reasons.

The literature review was supported by this research, which found of the eight respondents, four of them had negative comments regarding the management of the organisation and one of them directly attributed their reason for leaving to a management issue.

Laser (1980) attributes one of the most common reasons for staff turnover to poor supervision and blames inconsistent application of work rules and erratic behaviour. He goes on to say that managers may further be unjustifiably inflexible and punitive (Laser 1980). Numerous examples from the respondents confirmed that they felt incompatible with the managerial style at the company, and where he was fearful of losing their jobs. If a client complained about service, their manager would deal with it heavy handily. One respondent stated that they felt that the manager would nail the staff before investigating whether there was substance to the complaint.

Another respondent said that they could tolerate some of the issues, but the number one issue was their relationship with their manager. The manager would call and ask him to explain an issue with a client, and while he was busy explaining the manager would interrupt and start blaming him without giving him a chance to explain. The manager gave the respondent very little autonomy and always second guessed his decisions.

A different respondent stated that the vision of the company is good but it is implemented in a heavy handed manner. There was often a different message from the MD and the newly appointed executives of the business.

The respondents also stated that they never knew the mood their manager. And would be too scared to go and ask for help. This contributed to the respondent not always getting back to the manager in time. Another respondent stated that their managers were very young, they lacked maturity and had no managerial experience. They further lacked leadership skills and they had no soft skills. The organisation applied criteria, to fill managerial positions based on their revenue generation ability as opposed to managerial abilities.

In the literature review we learnt that formal performance management, done correctly, could be an excellent way to give recognition to employees. However, done infrequently or poorly they could cause dissatisfaction (Arthur 2001). It is noted that management is responsible for creating an environment of social support and that the greater the support the less the propensity to leave (Price 2001).

A number of examples of poor performance management and support were reasons given by respondents, such as the manager seldom made time to meet, but would rather call or e-mail. The same respondent stated that he believed his manager was a novice as she had just been appointed. A good manager would listen, and then try to understand and they assist. The manager would also not raise issues immediately, she would let them build up before she would address them with the respondent.

Another respondent did say that the leadership's message was inspiring, but she needed more support and follow up. She felt that the values that were communicated resonated with her, however they were not always practiced.

Aplin's (2009) survey found that 69% of respondents raised issues with management prior to leaving and 21% would have stayed if management attempted to address the situation and 38% would have stayed if the situation had in fact changed. Two respondents shared that there was a lack of communication from management, decisions would be made without really thinking of how it will influence the consultants. Management said that they had an open door policy, but when concerns were raised any suggestions were not really taken into consideration. Another respondent stated that when their manager found out he was considering leaving, instead of trying to find out the reasons why, he gave him an ultimatum by asking whether he was committed or not, and this sped up his decision to leave.

For a number of the respondents in this study, the management culture was a source of dissatisfaction, for one particular respondent it was the primary reason for leaving. The respondent said that the breakdown in the relationship between their manager and himself was the reason that he resigned.

4.6.2 Pay / Remuneration

Branham (2005) proposes that employees are concerned not just about how much they earn but further how fair that remuneration is (Branham 2005). The fairness of remuneration is determined not only by comparing the value they created for their employer but further what they would receive at another organisation (McKinsely and Company 2001). Hunang et al. (2006) supports the distinction of internal and external fairness and suggests that should the employee feel that their salary is externally unfair, they then assume either the employer does not value their contribution or cannot afford to pay more.

The above factors influencing perceived fairness was clearly expressed in the research by one of the respondents, who stated that he did not compare his salary to that of the other employees, as he came in on a more senior level than them. He did however compare his salary to what he could earn in corporate and realised that he could have earned much more. He liked the organisations there was a good atmosphere and good name with a good mixture of different people and backgrounds. He would have stayed if they had matched what he could earn in corporate. This respondent did not compare his salary to his colleagues but was very aware of his worth in the job market.

The respondent did not compare his salary to his colleagues, however another respondent made a clear distinction between internal and external fairness. Internally, there was a grading structure and the pay was fair and they could work towards an increase but in the market they could earn much more. This respondent believed the internal pay structure, in comparison to his colleagues was fair, however externally was unfair, as he believed he and his colleagues could earn more.

Another respondent had strong views on the issue of external fairness on remuneration by stating that their salaries did not justify their knowledge or what their worth. Salaries were fine for entry level staff but were not market related for experienced staff and to retain them. A different respondent stated that he did not think he was remunerated fairly for the work that he was doing, but he did not think it was worth complaining about, hence he thought he had to make the change for himself, so he resigned. This sentiment was shared by three other respondents.

The following respondent did not leave for reasons related to remuneration, they however experienced that their remuneration could be significantly higher at another employer, and they stated that whilst they did not leave for reasons related to remuneration, the salary and benefits at the organisation are not market related. The same respondent stated that once he resigned and got another job, he earned just under double his previous salary.

His new job offered also offered him better growth, more exposure, and a significant package adjustment and new opportunities for personal growth.

There is a further dimension of fairness, with regard to keeping ones word. A respondent stated that he was given a promotion to act as the Service Manager within his branch and was promised an allowance for performing this function, this was never paid. Clearly the respondent had strong feelings that the organisation had not kept their word and paid him for the work that he performed.

Another respondent said that even though remuneration was an issue there was however underlying factors that he considered, he could have tolerated his salary if he had happy working relations. Ultimately, even if he had earned more, the issue would have remained that he was demoralised. This is supported by Branham (2005) who proposes that dissatisfied employees would leave for as little as 5% increases, whilst it would take a minimum of 20% to tempt a satisfied employee.

Reward could further be viewed in an even broader context than cash and benefits, to include factors such as living a balanced life or development opportunities (Sutherland and Torricelli et al. 2002). In fact, one respondent clearly did not think he was being remunerated fairly for the sacrifices he was making in his personal life, he stated that he had to commute from Midrand where he lived, to work on the West Rand, and then there were also a lot of work travel over and above that. Together with all the travel and high work load, he did not believe that he was compensated enough to make the sacrifice.

From the literature review we found that we must look at remuneration in a broader context than just the cash component, we must also look at benefits as well. One of the respondents clearly considered fringe benefits an important factor when considering an alternative position. He stated that the job he accepted paid a higher total cost to company, they contribute to a medical aid, funeral scheme, and a pension fund.

Another respondent made an interesting comment on the split between guaranteed package and incentives. He stated that if he took sick or annual leave he would have difficulty making his incentive targets, and as such his remuneration would suffer. He wanted a larger basic salary and less reliance on incentives, he would have preferred a split of 75% basic salary and 25% incentive bonus.

The Saratoga Institute as cited by Branham (2005) estimated that the average cost of turnover was equal to one time the employee's salary, whilst another study estimated it at one and a half times the annual salary (Sutherland and Jordaan 2005). From all of the respondents, two of them looked at their own circumstances and made interesting observations regarding the cost of retaining versus replacing staff, they said that they felt that the organisation battled to replace good performers and that it took a long time to replace them. The organisation should have considered the cost of replacing a high performer and rather just have paid those more to keep rather than lose money. The organisation brought in new consultants and trained them very well, thereafter they develop relationships with their clients, and then did not take care of them financially.

4.6.3 Lack of development opportunities

None of those interviewed specifically stated a lack of development opportunities as the cause or even a contributing factor to them resigning.

It would seem that the development of employees, in isolation, is insufficient to retain employees. Employers who wish to retain their employees must provide employees not only with opportunities for growth and development, but also create an environment that is supportive (Hinkin and Tracey 2000).

The respondent made no mention of a lack of development opportunity, there were some comments made regarding the lack of support. Hence, development of staff without sufficient support is insufficient to retain an employee. A respondent summed this up by stating that she needed more support and follow up, whilst another stated if he made target everyone was happy, but if he did not there was no help or assistance. This same respondent at another time further mentioned that he received little or no assistance from his manager.

Some organisations see the benefit to utilise the training bond for entry level recruits (Horwitz et al 2003), in this study the organisation used a one year training bond for entry level staff however it may be only useful to a point, as observed by a respondent who served his training bond period and got experience and then left at the end of the one year period.

4.6.4 Exciting and challenging work

From the literature review we find that employees actually want exciting or challenging work, and that their work should be demanding and stretches the employee (McKinsey and Company 2001).

Of all the respondents, only one of them stated that their job became mundane and they got stuck in a rut both professional and personal, and thus decided to resign. Interestingly this respondent was from the Admin and Support category of respondents.

As there were comments made by the respondents, especially from those in the Consulting and Managerial categories, regarding a high work load and pressure, it can be assumed that their jobs were certainly challenging. There is clearly a fine line between exciting and challenge and that of being overworked and stressed.

4.6.5 Mismatch between job and person

Employees who have a different interest (Laser 1980) or desired different type of work (O'Connell and Kung 2007), to that of the organisation, are likely to have a shorter tenure. The respondent explains the gap between his interest and the reality of the job as he had studied law, served articles and was admitted as an attorney. When he joined the organisation he believed he could gain experience, but then realised that he had to basically serve articles all over again but this time in IR (Industrial Relations).Therefore he served his training bond period, received the experience and then resigned at the end of the one year period.

From the literature review we find that employees wish to know how their efforts contribute to the overall objectives of the organisation and that they are valued (Arthur 2001). Again, a mismatch manifests itself in that the respondent wished to development, implement and support a full IR strategy, and not merely support an existing one.

Managers may make the mistake of over-selling the virtues, whilst neglecting to mention the less glamorous aspects of the position, once the employee accepts the position they are then confronted with the realities of the position, they are likely to have a higher propensity to leave (Laser 1980). This was clearly the case for one of the respondents when he joined the organisation and was not told that sales were part of his job. He felt that this should have been explained in detail and not just mentioned in passing. Once he joined he was told it was a job requirement and management put pressure, if he did not sell he received a poor rating. He went on to explain that what he was employed to do, he did well, but the element that was not explained, it weighs on an employee and puts one under pressure.

Another respondent explained the mismatch between studying law and wanting to practice as an attorney even when there was the prospect of moving into a managerial position. This would not further his overall aspiration of being an attorney. Hence, even with development opportunities for the respondent, it was not his field of interest.

4.6.6 Too few growth and advancement opportunities

In organisations with a greater number of opportunities for growth, the greater the likelihood of reducing staff turnover (Price 2001). Clearly a respondent felt that this was not the case as he stated that he needed something bigger, the organisation had a flat organisational structure and he felt there were no growth prospects.

As stated in the literature review, unfair or favouritism in the selection process is stated as a reason to staff turnover. The same respondent shared his perception of the promotion process in the organisation despite being told that he would be developed in the company, at the time of his resignation he was a team leader and a Branch Managers position was available in another region. This position was however not advertised and given to someone else. He would have liked it if the positions were advertised and that he had the opportunity to apply and have an interview. Even if, he did not get the position he would have liked to know his short falls and what he had to work on, and he would have just liked the opportunity. He had waited two years for a promotion and if he was not even looked at for the promotion, despite giving the organisation his all, he resigned two months later.

The above observation by the respondent were not unique, numerous other respondents shared common concerns, such as feeling that the promotional prospects within the organisation was very limited. He was attracted to his new position as it was a managerial role and he would manage a department. Another respondent stated that he did not aspire to move into a managerial position within the organisation, and did not believe there were any other promotional prospects for him in the business. A different respondent could have moved into a consulting or a training position but believe that the work would have been mundane and that with the current structure, there were no real growth opportunities. The same respondent said that succession planning was not in place, there was lots of talk about it, but no action. The respondent said that she knew that the organisation appreciate the work, as she was told she was doing a good job, however she needed a development plan and a career path. The organisation should have initiated this conversation with her and not had it in response to her resignation, by then it was too late and the decision had already been made. Another respondent started to think there was no point in working longer hours for more money, and did not see his career going anywhere. He stated that his business started to grow, he realised that in time all he would be is a bigger version of what he was at that point in time, he would have the same responsibilities, just more of them.

4.6.7 Feeling devalued and unrecognised

From the literature review, Branham (2005) lists a number of ways an employer can make an employee feel devalued and unrecognised:

- Lack of simple appreciation;
- Focusing too much on the numbers and not enough on the people;
- Not giving recognition (consistently) where deserved, or giving it too late to be meaningful;
- Making employees feel as if no one knows or cares that they exist;
- Not listening to their staff;
- Making staff feel as if they are worth less than employees at other companies;
- Not paying for performance and giving the wrong type of rewards;
- Unpleasant / unsafe work place and physical surroundings;
- Not providing employees with the right tools.

Three of the respondents commented on feeling devalued and unrecognised. Examples of their experiences can be matched to examples given by Branham (2005) in the literature.

The first respondent gave an example when the organisation displayed a lack of simple appreciation. He was tired of sorting out everything and not getting any recognition for it. He was a team leader at the time of leaving and according to him was working twice as hard as everyone else. He had his own work plus he had to help the rest of his team. The work that he was doing was just expected and he did not even receive a thank you for all his help.

As a team leader this respondent felt like a slave. He was given all the difficult clients to deal with and was told that he could handle it. His junior colleagues got all the nice work to do, that was easy and billable and they would be able to go home early and make target. This statement relates to Branham's (2005) statement on not paying for performance and giving the wrong reward (Branham 2005).

Whilst he states an example of not giving recognition where deserved, this respondent also stated that recognition was not given when deserved, there was a *Club 100 certificate* which was given in recognition of those that achieved, but if employees were busy with tough work and did not make the criteria then there was no recognition for the work that had been done.

In another example, the organisation may have been focusing too much on the numbers and not enough on the people, the respondent stated on two occasions that if he made target everyone was happy, but if he did not there was no help or assistance. As a manager, this respondent had to help his team and allocate them work, help them make their target, but despite this if he did not make his target he would be questioned.

Another respondent could recall two specific incidents where he felt management failed to provide adequate recognition for his efforts, he was a hard worker and all he wanted was credit for that, if he did not get it, he started to feel despondent. He decided to rather leave, than start to lose confidence in himself. He was also unhappy with the bonus he received. His manager phoned him to tell him that he would not receive a full bonus. He was driving at the time and had to pull off the road and park to have the conversation. His manager did not discuss his performance in relation to the bonus nor did she explain how the bonus was calculated.

In Branham's (2005) list of reasons there was a clear example of making employees feel as if no one knows or cares that they exist. Another respondent stated that she felt that no one knew her work load and how hard she worked. She often used to have to work in her spare time and yet when she left she felt that everyone thought she could be replaced.

Branham (2005) further lists not providing employees with the right tools as a factor. Here the respondent stated he was not given a laptop so he had to go to work over weekends to finish his work. If he had a laptop he could have done this at home.

4.6.8 Stress from overwork and work life balance

In the literature review Branham (2005) lists a number of ways that employers contribute to stress (Branham 2005), the first being expecting staff to sacrifice family or personal time. A number of the respondents cited examples like this when the workload and the diversity of issues that the respondent had to deal with really got to them. The respondent further had to continuously balance keeping the clients happy with what he felt was morally right.

The long hours eventually started to affect this respondent's personal relationship due to never spending time with loved ones. This respondent also felt at one stage that if things did not improve she would get physically sick. She was constantly on the phone between client appointments and when she finally got home she would be busy with e-mails and admin. She was constantly juggling work and would worry whether her staff had done what they were supposed to do.

A different respondent felt there was pressure to finish everything now. He could not just switch off his laptop and finish the work tomorrow as there was always something else that would come up. When he got married and his wife took a salary cut, there was a greater pressure on him to provide for the family. He looked at how it would be possible to earn more money with his existing organisation and the trade-offs. He therefore, started to look for a higher paying job.

Branham (2005) listed another cause of stress as being understaffed and leaving vacant positions unfilled for an extended period. As confirmed another respondent that his business was understaffed, he as a manager needed to get involved and sort it out by doing the work himself. He had to pick up the work of the people that had left, and got spread so thin and he could not do it all, both providing a service and the management duties. Being understaffed not only robbed him of his personal time, but he could not be there for his staff when they looked to him for answers.

The respondent further highlighted that one of the causes of stress within the organisation was the constant pressure to perform. One respondent resigned for the same take home pay (but a bigger total cost to company), he resigned because of the pressure to perform and his manager's way of dealing with non-performance. He stated that the Operations Executive created fear in the staff. The pressure to perform and the fear of losing his job, started to impact on his health. It took a new job to reduce this respondent's stress, to be more relaxed and to enjoy life. He wanted the security and to leave the fear of performance management. Another respondent also stated that there was always pressure on her to perform and grow the business and as soon as she resigned there was no pressure and she felt relieved. She also felt that she would have rated her stress at work at 8 out of 10.

4.6.9 Poor on-boarding / Induction

There were no examples given of poor on-boarding / induction within this case study.

4.7 Main Research Problem

The primary purpose of this study is determining those factors that contribute to the attrition of knowledge workers.

4.7.1 Research question one

Why do knowledge workers resign from organisations?

4.7.2 Research question two

What factors contribute the most to knowledge worker attrition?

4.8 Summary of Findings

4.8.1 Primary causes of attrition

As was determined from the Literature review there are two primary causes of staff turnover, push factors originating within the organisation, of which seven of the eight respondents cited this as their primary causes of leaving. Of these respondents four of the seven could recall a specific ‘shock’ incident that prompted them to leave. Only one of the eight candidates cited a pull factor that lead to them leaving.

Table 6: Primary causes of attrition

CAUSES OF ATTRITION	FREQUENCY OF OBSERVATIONS
1. Shock Events	4/8
2. Internal / Push Factors	7/8
3. External / Pull Factors	1/8

In the table below are listed the factors contributing to attrition as found in the literature review and the frequencies that the respondents listed them as contributing factors to them leaving the organisation.

TABLE 7: Factors contributing to attrition

FACTORS CONTRIBUTING TO ATTRITION	FREQUENCY OF OBSERVATIONS
1. PAY / REMUNERATION	7
2. MANAGEMENT	4
3. LACK OF DEVELOPMENT OPPORTUNITIES	3
4. STRESS	2
5. MISMATCH BETWEEN JOB & PERSON	1
6. FEELING DEVALUED & UNRECOGNISED	1
7. EXCITING & CHALLENGING WORK	0
8. ONBOARDING & INDUCTION	0

Whilst we found in the literature review that remuneration was not the main reason why employees leave organisations, we however found in this research was that it was by far the biggest reason why employees left. It can therefore be concluded that this organisation did not pay market related salaries.

The second biggest reason why employees left was related management issues and this is supported by the finding that half the respondent cited shock events as a the catalyst to make them consider or making the decision to leave.

The third main factor found was that of a lack of growth and development opportunities for employees. Thereafter two observations were noted regarding stress, and one each of a mismatch between job & individual and a poor recognition.

Chapter 5: Conclusions and Recommendations

5.1 Introduction

This chapter concludes this research with a summary of the findings and interpretations of the literature and the case study. The chapter then goes on to make recommendations and finally outlines suggestions for further research.

5.2 Conclusion: The causes of knowledge worker attrition

The researcher conducted this study seeking a clear understanding of why knowledge workers leave a consulting business and it was hoped that these answers would enable the management of this case site and other consulting businesses to formulate effective knowledge worker retention strategies in the future.

The single site case research of this organisation provided sufficient information so as to allow a thorough analysis of the causes of attrition in this organisation, although the literature review provided a broad theoretical framework for the research. The literature findings suggested that there was a significant disconnect between why managers think employees leave organisations, as to the actual reasons why employees resign. This study however did not concern itself with the manager perceptions as to why staff leaves, but rather on why the employees actually resign. Contrary to the literature it was found that the initial reasons given in the employees exit interviews with HR compared to the subsequent reasons given in the research interview remained consistent, there was no significant difference given for their resignation.

A summary of the case study findings are outlined below.

5.2.1 Shock events

The literature review supports the case study findings that indicated a sudden and unexpected incident or shock event can contribute to 50% or more of all staff turnover. The case study does confirm that these shock events may be positive in nature, such as receiving a highly attractive job offer or they may be negative, such as having a confrontation with one's manager.

5.2.2 Push or Pull factors

The findings of both the literature review as well as the case study indicated that there are two primary forces which influence an employee's decision to leave an organisation, namely push and pull factors. However, the literature did not indicate which of the two usually have a greater effect. It was found in the case study that seven out of the eight respondents attributed their leaving to push factors.

5.2.3 Job satisfaction, organisational commitment and the intention to leave

The intention of this study was not to specifically determine the overall satisfaction level at the time of deciding to resign. There is sufficient evidence within the case study to support the literature review that there is a correlation between satisfaction, commitment and the intention to leave.

5.2.4 Management issues

Both the literature review and the case study have established that one of the most common reasons for staff turnover is poor supervision / management. As indicated in the literature, the case study found that the poor management is manifested in a number of ways, such as erratic behaviour, being inflexible or punitive, a lack of performance coaching and feedback, a lack of support, and being inaccessibility.

5.2.5 Pay / Remuneration

From the literature review we find that paying a competitive remuneration package was the main retention strategy employed by management. This could be attributed to the fact that the reason most often given for employees leaving organisations was remuneration, though the true reason was something else. The case study however, found that the main reason for staff turnover was that the organisation was not paying market related salaries and that the respondents received significantly higher packages with their new employers.

5.2.6 Lack of development opportunities

The literature review also shows that there was a general consensus that the more you develop you staff the more likely you were to retain them. In the case study however, it was found that the more you train the staff members the more marketable they were and hence the more likely they were to leave. What was observed in the case study was that it was not enough to merely develop your staff and improve their marketability but organisations wishing to retain these staff then had to pay them their new market related salaries to retain them. Should employers fail to do so, then they are merely training their competitor's staff for them.

5.2.7 Exciting and challenging work

The literature review highlights that employees actually want exciting and challenging work and that in the absence of this they are likely to leave. This was supported by one respondent who stated that they were stuck in a rut was a contributing factor to them resigning.

5.2.8 Mismatch between job and person

The literature review and the case study results have established that those employees with a poor organisational fit have a higher propensity to leave. A cause of poor organisational fit, as found in both the literature review and the case study was management failing to mention some of the less glamorous aspects of the job, which the employee only finds out about once they start. Another cause, not mentioned in the literature review, was a respondent either accepting a position that did not fulfil his long term career aspirations, or alternatively changing his aspirations once he commenced employment and then realising that they could not be fulfilled within the organisation.

5.2.9 Too few growth and advancement opportunities

The case study supported the literature review in that the greater the potential for promotion within an organisation the greater the likelihood of reduced staff turnover. The case study also found that the organisation had a narrow view of growth and advancement, as promotion from consulting position into a managerial one. The organisation did not address those employees aspirations of growth and advancement that did not wish to move into a management position.

5.2.10 Feeling devalued and unrecognised

The literature review and the case study have established that there is a direct relationship between employees feeling devalued and unrecognised and staff turnover. Specific incidents highlighted in the literature were observed in the case study, management failed to show simple appreciation, failed to pay for performance or provided the wrong kind of reward, focused too much on the numbers and not enough on the people, or did not provide the required work tools.

5.2.11 Stress from overwork and work-life balance

Again, the findings of both the literature review and the case study supported the proposition that the more employees work-life balance suffers or the higher the level of stress due to overwork, the greater the propensity for higher staff turnover. In the case study, specific incidents were cited of understaffing, having to deal with management abuse and insensitivity, inflexible working hours, and the expectation of having to sacrifice family and personal time.

5.2.12 On-boarding / Induction

Even though there was no mention of poor on-boarding / induction by the respondents, it was found in the literature review that it is likely to manifest itself in staff turn-over in the first few months of employment, (Laser 1980). As the organisation compels the majority of their knowledge worker appointees to sign a one year training bond, it is therefore possible that this has masked the symptoms of poor on-boarding and that by the time employee leaves there are more recent issues stated as the reason leading to the employee leaving. It was established from the case study, that the main contributing factors of staff turnover were remuneration, management issues and growth and advancement opportunities. It is however clear that there is usually a combination of primary and secondary factors that lead to a decision to leave an organisation.

In light of the literature review and of the case study, the researcher may deduce that the organisation pays market-related salaries for their new recruits and junior employees. The organisation further provides accelerated growth opportunities for these new employees. The organisation however fails to match the employees pay with their new competence and as such the company fails to pay market related salaries for employees with tenure of over a year.

Even though employees may quickly move into management positions, the organisation fails to provide development opportunities other than management positions. This results in those who have no aspiration to be managers, hence lacking in career development opportunities within the organisation.

One of the negative consequences of an accelerated career development into a management positions, is that these managers are often young and lack managerial experience and training. This has resulted in managers performing badly in their new role and making those mistakes as listed in the literature review and case study which contribute to staff turnover.

5.3 Recommendations: actions to address the issues identified

Employees are one of an organisations last competitive advantages and an organisations success will be determined by its ability to obtain and retain knowledge workers. However, with changing demographics of the workforce leading to a shortage of labour and a de-stigmatisation of job-hopping, this has led to an overall trend towards shorter tenure.

5.3.1 Determine Optimal Retention Rate

Management must now come to realise that although they must strive to retain knowledge workers for as long as possible, employment for life is neither practical nor desirable. It is therefore proposed that management determine their optimal turn-over rate for their specific organisations strategy. In determining the optimum retention level management will have to consider the costs of retention vs. the direct and indirect costs associated with staff turnover. Thereafter, management must monitor their actual versus their desired turnover and take corrective action where necessary.

5.3.2 Gather data: Surveys and Exit Interviews

Management cannot, however, take corrective action without first understanding that staff turnover is merely a symptom rather than the problem itself and they need to be asking themselves why are their people not staying, as opposed to why they are leaving. It is therefore proposed that periodic climate surveys are conducted on existing staff and that comprehensive exit interviews are held with those who resign. The results of both survey and exit interviews need to be analysed and trends and common themes identified.

As the success of the organisations on-boarding / induction may be masked by their one year training period, it is proposed that a post induction survey be conducted, maybe a month or two after the employees start date, so as to determine the effectiveness and possible improvement areas.

5.3.3 Conduct Salary Surveys

From the literature review it was noted that remuneration is not normally the primary cause of staff turnover, should the organisation be paying market related salaries. It is however, clear by packages accepted by the respondents with their new employers, that an increase in salary from 50% to 100% more, remuneration was a contributing factor. Hence the organisation is not paying market related salaries. It is therefore proposed that the organisation obtain salary survey information from a professional organisation to benchmark against, as well as collect information from the exit interviews focusing specifically on remuneration, and use this information to review their existing remuneration structures.

5.3.4 Address Salary Issues

It is the researcher's opinion that there is such disparity in remuneration of the staff between what the organisation and the industry pays, that without addressing this issue first, it would be pointless attempting to address the other issues. However once the organisation is paying at least market related pay, the rest of the issues of concern could then be addressed.

5.3.5 Management Development

The issue of concern, with the second most common response, was that management and more specifically younger managers and inexperience which results in them not being as effective as expected. This must be viewed in the context of the organisations rapid growth and their policy of appointing managers from within the organisation. This internal promoting of staff into managerial positions the researcher supports, as this gives an opportunity for career growth, which ultimately will have a positive effect on retention. It is however a double edge sword as it perpetuates the inexperience of newly hired managers who are prone to make managerial mistake in their dealing with staff which may lead to staff turn-over.

It is therefore proposed that employees with potential and the desire to become managers be identified early on in their careers and that they be placed in a development programs that grooms them to be future managers. It is further proposed that mentors and coaches be appointed as part of the development program, to guide their transition into management and to further their careers.

It is further the researchers' opinion that it is ultimately the responsibility of management to set the overall objectives of the organisation, implement strategies, creates structure and to manage their people to achieve these objectives. Therefore management as a whole cannot abdicate to the HR function, the responsibility of attracting, developing and ultimately retaining knowledge workers.

Hence, management has within their control the ability to reduce negative shock events, the ability to manage and reduce push factors and ultimately to design strategies to negate other organisations pull factors. Management must not be permitted to shrug their shoulders or make excuses for the turnover of their staff. Management therefore needs to be held accountable and have written into their KPI's there to management and retain of their employees.

5.3.6 Create Growth and Development Opportunities

The third biggest issue raised by the respondents was that of too few growth and advancement opportunities. At present it was found that the only real career path for employees was into a managerial position. From the research it was identified that not all employees necessarily aspire to move into management, but they however wish to advance within the company. It is therefore proposed that management develop multiple career paths for each job category.

5.3.7 Implement Job Grading and Align Remuneration

There were also issues regarding employees progressing within the organisation and yet their remuneration was not being aligned to their position. It is therefore suggested that a clear job grading and remuneration structures within the organisation be implemented within the company.

With clearly defined jobs and grades, it is the researcher's opinion that all vacancies be internally advertised throughout the organisation, and not only within that division / branch. All candidates that apply and that have the minimum requirements for the position should then be interviewed. Obviously only the most suitable candidate should be appointed. Time should then be set aside to give clear feedback to the unsuccessful candidates as to why they were not successful and to use this opportunity to advise them on their development areas.

5.4 Suggestions for further research

The following areas are suggested for future study:

- A quantitative study with a sufficiently large population of knowledge workers who have resigned from the same organisation to determine whether the same causes are identified;
- Research should be conducted on employees specific factors, such as age, race, gender and tenure to determine whether these factors influence staff turnover;
- A comparative study of existing staff to those that have resigned within the last twelve months to determine whether there was a correlation between their needs and concerns and why they resigned;
- A study into the cost implications of staff turnover on a consulting organisation in South Africa.