

**The impact of middle management resilience on staff turnover in the
South African fast food industry**

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ABSTRACT

In a competitive business environment defined by increased competition and economic uncertainty, resilience, both organisational and individual, is becoming an important survival factor. In the fast food industry in South Africa, Roossenekal Foods is experiencing increased levels of staff turnover. This research aimed to see the impact of middle managers resilience levels as measured using the subscales of the Resilience Scale – self-reliance, meaning, equanimity, perseverance and existential aloneness. These construct were investigated in relation to the percentage of staff turnover in each manager's restaurant as calculated on the Balanced Scorecard. Data was collected from 36 managers in the Limpopo, Mpumalanga and North West provinces and analysed using descriptive statistics and linear regression analysis. Results showed only a weak relationship between meaning and percentage staff turnover but highlight clear areas that need further investigation for the company concerned.

DECLARATION

I, Rosanne Hollander, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Rosanne Hollander

Signed at Parktown, Johannesburg on the 28th day of February 2011.

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TABLE OF CONTENTS

ABSTRACT	ii
DECLARATION	iii
ACKNOWLEDGEMENTS.....	iv
1 INTRODUCTION.....	1
1.1 Purpose of the study	1
1.2 Context of the study	1
1.3 Problem statement	2
1.4 Significance of the study	2
1.5 Delimitations of the study	3
1.6 Definition of terms	4
1.7 Assumptions.....	4
2 LITERATURE REVIEW	6
2.1 Introduction.....	6
2.2 Resilience.....	6
2.2.1 Definition – Individual (Personal) Resilience.....	6
2.2.2 Definition - Organisational Resilience	9
2.2.3 Resilience and Positive Psychology	10
2.2.4 Middle managers and resilience	11
2.3 Staff turnover	13
2.3.1 Causes.....	14
2.3.2 Benefits.....	15
2.3.3 Challenges	16
2.4 Resilience and staff turnover	17
2.4.1 Self-Reliance and Staff Turnover	18
2.4.2 Meaning and Staff Turnover	19
2.4.3 Equanimity and Staff Turnover	20
2.4.4 Perseverance and Staff Turnover.....	20
2.4.5 Existential Aloneness and Staff Turnover	21
2.5 The Fast Food Industry	21
2.6 Conclusion of Literature Review	22
2.6.1 Proposition 1:	22

2.6.2	Proposition 2:	22
2.6.3	Proposition 3:	22
2.6.1	Proposition 4:	22
2.6.2	Proposition 5:	23
3	RESEARCH METHODOLOGY	24
3.1	Research methodology / paradigm	24
3.2	Research design	24
3.3	Population and sample.....	25
3.3.1	Population	25
3.3.2	Sample and sampling method	25
3.4	The research instruments	26
3.4.1	The Resilience Scale.....	26
3.4.2	Balanced Scorecard	27
3.5	Procedure for data collection	28
3.6	Data analysis and interpretation.....	28
3.7	Limitations of the study	28
3.8	Validity and reliability	29
3.8.1	External validity	29
3.8.2	Internal validity	30
3.8.3	Validity of the Resilience Scale	30
3.8.4	Reliability.....	30
4	PRESENTATION OF RESULTS	32
4.1	Introduction.....	32
4.2	Profile of respondents.....	32
4.3	Staff turnover data.....	34
4.4	Results pertaining to Proposition 1.....	35
4.5	Results pertaining to Proposition 2.....	37
4.6	Results pertaining to Proposition 3.....	39
4.7	Results pertaining to Proposition 4.....	41
4.8	Results pertaining to Proposition 5.....	43
4.9	Summary of the results	45
5	DISCUSSION OF THE RESULTS	46
5.1	Introduction.....	46
5.2	Demographic profile of respondents	46
5.3	Staff turnover data.....	47

5.4	Discussion pertaining to Proposition 1.....	48
5.5	Discussion pertaining to Proposition 2.....	49
5.6	Discussion pertaining to Proposition 3.....	49
5.7	Discussion pertaining to Proposition 4.....	50
5.8	Discussion pertaining to Proposition 5.....	50
5.9	Conclusion	50
6	CONCLUSIONS AND RECOMMENDATIONS.....	52
6.1	Introduction.....	52
6.2	Conclusions of the study	52
6.3	Recommendations.....	53
6.4	Suggestions for further research	54
	References.....	55
	Appendix A: The Resilience Scale.....	63
	Appendix B: Consistency Matrix	64

LIST OF TABLES

Table 1: Five Constructs of Resilience (Wagnild 2009a).....	8
Table 2: Some direct and indirect costs of staff turnover (Lashley 2000, as cited in Lashley 2002 page 26)	16
Table 3: The number of managers that will be used as a percentage of total managers in each province	25
Table 4: A sample of studies that have utilised the Resilience Scale as described by Wagnild (2009a).....	27
Table 5: Coefficient Alpha for the Resilience Scale as used in several studies completed around the world (Wagnild 2009a pg36).....	31
Table 6: A summary of the sample and standard mean scores for each question on the Resilience Scale.....	33
Table 7: A summary of the resilience levels of the respondents	34
Table 8: Staff turnover percentages for each restaurant by region	35
Table 9: Regression of staff turnover and self-reliance	36
Table 10: Regression of staff turnover and meaning.....	38
Table 11: Regression of staff turnover and equanimity	40
Table 12: Regression of staff turnover and perseverance.....	42
Table 13: Regression of staff turnover and existential aloneness	44
Table 14: Reasons for employee terminations in the Highveld area	48

LIST OF FIGURES

Figure 1: Five Factor Framework for Middle Managers (Thompson et al 2008 page 65).....	11
Figure 2: Middle managers as change intermediaries (Balogun 2003 page 75)	12
Figure 3: Model of psychological capital and stress (Avey et al 2009)	18
Figure 4: Scatter plot of self-reliance and turnover percentage.....	37
Figure 5: Scatter plot of meaning and turnover percentage	39
Figure 6: Scatter plot of equanimity and turnover percentage.....	41
Figure 7: Scatter plot of perseverance and turnover percentage	43
Figure 8: Scatter plot of existential aloneness and turnover percentage	45

1 INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to evaluate the impact of personal resilience levels of middle managers on staff turnover in the South African fast food industry. The report uses KFC as a case study of the fast food industry in South Africa and uses restaurants in the Limpopo, Mpumalanga and North West provinces.

1.2 Context of the study

The concept of 'resilience' can be defined as "an individual's ability to bounce back or cope successfully despite substantial adversity" (Rutter 2005 as cited in Earvolino-Ramirez 2007 page 75). While many individuals are able to 'recover' from difficulties they may face, individuals who are resilient do not have a time period in which normal functioning is lost and then regained, but rather continue performing optimally despite a hostile or negative environment (Bunanno 2004). Hamel and Välikangas (2003) explain that an organisation's ability to be resilient is directly related to the resilience levels of the individuals within it. Displaying resilience by being able to cope with and manage change and respond to the environment is a key factor contributing to the success of organisations in the 21st Century (Isdell 2008). The role of middle management is particularly stressful because of the often-competing pressures and demands placed on this segment by both senior management and blue collar workers (Sims 2003).

Along with the stress of job performance, the environment in which all businesses operate is becoming more complex and dynamic. In order to survive and especially to succeed in such an environment, organisations need to be able to weather the storm of many challenges (Hamel and Välikangas 2003). One of the factors contributing to the complexity of this environment is globalisation. Globalisation has put pressure on organisations to meet higher

performance targets and deliver superior value to customers (Logsdon and Wood 2005). This is typical of a multi-national franchise like KFC where controls and quality management are extremely important (Apte and Reynolds 1995); having a consistent and representative brand becomes an added pressure in the production and delivery of value to customers.

Because stress in general is a major cause of staff turnover (Deery 2008), increasingly stressful times will have an impact on one's ability to cope in one's job and stay in one's current job. In an industry where staff turnover is significantly high and expensive (Zuber 2001), management in the fast food industry need to develop strategies to ensure that they are hiring and keeping the right people.

By understanding the role of middle management resilience in this high-pressure environment, staff turnover will be reduced. Senior managers will have a deeper insight into the role of their subordinates and be able to train and recruit accordingly. Understanding and being trained on resilience will also improve the work-life of middle managers as they will be empowered to deal with the demands of their jobs.

1.3 Problem statement

This research aims to evaluate the impact of middle management resilience on staff turnover in the fast food industry, within the South African context, in the Limpopo, Mpumalanga and North West provinces.

1.4 Significance of the study

The study fills a gap in that there is limited literature that investigates the role of resilience at the middle management level. The focus of this research is specifically on a multinational fast food franchise. However, given the increase of globalisation and standardisation, this study may highlight issues that apply to middle managers in similar circumstances.

Furthermore, if a relationship between resilience and staff turnover is established, the study will provide guidance to franchise businesses, specifically in the South African context, concerning how retention can be improved by training current managers on resilience and recruiting future managers with this quality. In addition, an organisation can only be as resilient as the people it employs (Hamel and Välikangas 2003). Identifying opportunities for the development of resilience on an individual level will increase the organisation's ability to compete in the dynamic and challenging business environment (Bell 2002).

This study is specifically relevant to Roossenekal Foods who have been experiencing significantly increased levels of staff turnover. In the last ten years, the annual average turnover for the group has increased from 15% to over 60%. The target for the group and that of all restaurants in the country is 45%. These high levels of turnover are becoming a major concern for the Executive Committee who has started investing in resources to curb this escalating phenomenon.

1.5 Delimitations of the study

This study will look at the issue of personal resilience specifically at the level of middle management. This will be examined solely in the South African context. The study only deals with the Limpopo, Mpumalanga and North West Provinces. The information obtained for this research has been collected from individuals in middle management positions at KFC. The findings of this study may be translatable to similar contexts.

1.6 Definition of terms

- Resilience: This study will focus on personal resilience. Five characteristics will be used in understanding this concept, namely reliance on oneself, believing in the hidden meaning behind events in life, level-headedness and composure when faced with adversity, determination and existential solitude (Wagnild 2009a).
- Middle Management: According to Charan, Drotter and Noel (2001), management is the stage at which one shifts focus away from one's own work and becomes involved in ensuring that others perform by planning, analysing others' performance and coaching.
- Staff turnover: An employee leaving his or her current employment voluntarily (for personal or career growth reasons) or involuntarily (being forced out as a result of non-performance or downsizing) (HRfocus 2010).
- Management Performance: A manager's ability to satisfy team members and customers as well as to increase the profitability of the business (Langhorn 2004).
- Franchise: A legal agreement between two parties in which one party sells and delivers a product or service (the franchisee) using a brand name or operating system that the other has developed (the franchisor) in exchange for a lump sum of money or continuous royalty fees (Rubin 1978; Shane 2006 as cited in Cappelli and Hamori 2008).

1.7 Assumptions

- The chosen sample will be able to share information with regard to their perceptions and relevance of resilience to their personal and job performance.

- The total number of respondents will be sufficient to gain adequate data relevant to the purpose of the study.
- Respondents will convey their answers honestly and truthfully. False data will negatively affect the results of the study.
- Resilience is a self-reflecting topic. This study assumes that the respondents have adequate self-knowledge to have processed and understood their behaviour.

2 LITERATURE REVIEW

2.1 Introduction

This section contains a literature review about the key themes of relevance to the study. The first area will look at the concepts of individual and organisational resilience, including each term's definition and how these concepts shape behaviour. The second area will explore staff turnover, including the causes, benefits and challenges of staff turnover. The role of middle management will then be discussed as well as the fast food franchise environment. This section concludes with an overview of the key learnings.

2.2 Resilience

2.2.1 *Definition – Individual (Personal) Resilience*

The concept of resilience is founded in a worldview of constant change and uncertainty (Cascio 2009). In order to survive through and cope with the misfortunes that occur in an ever-shifting environment, individuals and organisations develop a 'stamina' defined by courage and adaptability which allows them to grow stronger and function above those around them (Wagnild and Young 1990). Resilience has been studied from two different schools of thought: from the psychological school on coping and physiological school on stress (Tusaie and Dryer 2004).

The concept of resilience first appeared in the 1980s when studies analysed the effects of extraordinarily stressful family circumstances on children. Norman Garmezy studied children from families with schizophrenic parents (Robinson and Fields 1983) and Werner and Smith (1989) conducted a 40-year longitudinal study on the children from the impoverished agricultural community on the Island of Kauai from the 1970s (as cited in Johnson and Wiechelt 2004). Garmezy concluded that 88-90% of children from schizophrenic families survived unscathed from their traumatic childhoods. Certain characteristics that

these 'invulnerable' children exhibited were good social skills, a positive self-esteem, a sense of distance from their stressful circumstances and a need to rise above their circumstances by using their intellectual and creative skills (Robinson and Fields 1983). Werner and Smith (1989) studied a group of high risk babies from birth until in their forties with the result being that five out of six of these individuals had managed to succeed despite the major challenges posed in their environments due to an innate sense of self-worth fostered by someone close to them (Johnson and Wiechelt 2004).

While the initial wave of research focused on resilience in children, the concept became increasingly popular and spread into other areas and fields. Psychological resilience was mentioned only eleven times between 1977 and 1978 in PubMed, 92 and 508 times in the next two decades, respectively (Wagnild 2009b). Glenn Mangurian (2007) describes his life changing experience of becoming paralysed and says: "resilience is not about deflecting challenges but about absorbing them and rebounding stronger than before" (Mangurian 2007 page 126). He divulges some of the wisdom he gained from his experience, stating that while one cannot control the environment, one can decide how to respond to changes that affect us and that one should create new dreams rather than cling to broken ones (Mangurian 2007).

Research by Block and Kreman (1996) identified individuals who have high ego resilience to function competently in the more complex and ambiguous interpersonal world while those with high IQ (Intellectual Quotient) scores function optimally in the structured world of work and find it difficult to form human connections. This illustrates the fact that when dealing with people, ego resilience is a more essential skill than intelligence.

Definitions of resilience vary across the literature but all identify two key components: a situational component (e.g. a stressful event or trauma) that elicits a reactive component (e.g. resilience or stress) (Beningfield 2006). The definition of resilience that will be used in this study is based on Wagnild and Young (1990) Table 1 below defines the five constructs of resilience and brings sources from which this definition is supported:

Construct	Definition	Sources
Self-Reliance	The ability to recognise one's strengths and weaknesses and to ultimately depend on oneself as an effective human being.	Wagnild (2009a), Reivich and Shatte (2003), Caplan (1990), Druss and Douglas (1988), Richmond and Beardslee (1988)
Meaning	The recognition that life has a greater purpose to which our actions contribute.	Wagnild (2009a), Keyes and Lopez (2005), Ryff and Singer (2004), Caplan (1990), Rutter (1985), Bettelheim (1979)
Equanimity	This refers to one's ability to be composed throughout one's life and experiences. This even temperedness allows people to react to life's experiences and stressful circumstances in moderate responses. Such a person acts from a stable and controlled base.	Wagnild (2009a), Reivich and Shatter (2003), Bearslee (1989) Kadner (1989)
Perseverance	This trait assists an individual to act persistently in the face of misfortune and hardship. It suggests a willingness to actively pursue one's life path in the face of adversity.	Wagnild (2009a), Barrett (2004), Caplan (1990), Druss and Douglas (1988)
Existential Aloneness	This refers to the realisation that each individual's journey or path is unique. Although some experiences are shared, many others need to be faced alone. A sense of personal self-mastery confirms a feeling of freedom and uniqueness.	Wagnild (2009a), Seligman (1995), Frankl (1985)

Table 1: Five Constructs of Resilience (Wagnild 2009a)

These five elements are the foundation of the Resilience Scale developed by Wagnild and Young (1990) that will be used in this study. This tool is discussed in detail in the research instrument section of the methodology chapter. These constructs are also discussed individually in section 2.4 of the Literature Review.

2.2.2 Definition - Organisational Resilience

Organisational resiliency can be defined as “the capacity for resisting, absorbing, and responding, even reinventing if required, in response to fast and/or disruptive change that cannot be avoided (McCann, Selsky and Lee 2009 page 45). Cascio (2009) suggests that organisations that strive for sustainability need to focus on resilience. The conceptual foundation of sustainability implies that we are able to clearly define our resources – this is no longer true in the complex and changing reality of modern business (Cascio 2009). In order to avoid being trapped by the realities of the environment in which we do business, Cascio (2009) postulates several principles of resilience that organisations should embrace: diversity, redundancy, decentralisation, collaboration, transparency, failing gracefully, flexibility and foresight.

In their study of 471 North American companies, McCann, Selsky and Lee (2009) concluded that when displaying both resilience and agility, companies were able to be both competitive and profitable through extremely turbulent times. The authors demonstrate that without both agility and resilience, organisations are left fragile or slow responding (McCann *et al* 2009). They recommend six dimensions to building organisational resilience:

- Improve contingency planning and crisis response capabilities;
- Engage in strategic (enterprise-wide) risk assessment;
- Learn to deal with the consequences of failed plans;
- Develop assets and talents both inside and outside the organisation that can be drawn upon to mobilise a response;

- Make certain everyone has a deep, shared belief in core values and beliefs; and
- Be prepared to rethink and redesign if required

(McCann *et al* 2009 page 50)

2.2.3 Resilience and Positive Psychology

The concept of resilience is rooted in the idea that people possess positive traits that allow them to thrive in their lives; the field that focuses on those who, “despite all the difficulties... manage to live lives of dignity and purpose” is called positive psychology (Sheldon and King 2001 page 216). Gable and Haidt (2005) define positive psychology as “the study of the conditions and processes that contribute to the flourishing or optimal functioning of people, groups and institutions” (page 104). Martin Seligman officially founded the positive psychology movement in 1997 (Beningfield 2006) to combat the plethora of interest and focus being placed on the pathological, dysfunctional and abnormal (Gable and Haidt 2005). Although studies focusing on the constructiveness of human nature date back as far as William James’ writing on ‘healthy mindedness’ in 1902, the field of psychology in general has shown a major precedence to disorder and disease (Beningfield 2006; Gable and Haidt 2005; Seligman 2003; Sheldon and King 2001).

Reivich and Shatte (2003 page 59) elucidate that “Resilience is the basic strength underpinning all the positive characteristics in a person’s emotional and psychological makeup. A lack of resilience is the major cause of negative functioning. Without resilience there is no courage, no rationality, and no insight. It is the bedrock on which all else is built.” These authors are expressing the innate connection between resilience and the field of positive psychology – without the ability to overcome misfortune humankind would be drowning in a pool of pathology and dysfunction. Resilience is the foundation upon which “optimal functioning” (Gable and Haidt 2005 page 104) is built.

2.2.4 Middle managers and resilience

Middle management is the 'layer' in the organisational organogram that oversees multiple sets of operations and transactions without actually executing the tasks at hand, whilst representing the interest of top management in the way the task is performed (Hayes 2008). With pressures to cut costs on all levels, there is a tendency to dismiss the importance of this segment of the organisation as not directly contributing to performance. Hayes (2008) cautions against this temptation by linking middle management to the vital controls that is required for lean operating standards and effective employee performance.

Gioia and Chittipeddi (1991 as cited in Thompson, Purdy and Summers 2008) define the functions of middle management as *sensemaking* (understanding what is being asked of them from their superiors and subordinates) and *sensegiving* (reporting back to superiors and subordinates as to how their need relates to other parties. Middle managers are seen as the vital link between translating the theory of top management into the practice of the employees on the ground (Thompson *et al* 2008). The role of middle management is described as being focused around their relationships with top managers, peers and employees in seeking understanding and influencing action as can be seen in Figure 1 (Thompson *et al* 2008).

		Activity	
		Seeking Understanding	Influencing Action
Focus of Interaction	Top Managers	Following	Championing
	Peers	Collaborating	
	Employees	Listening	Directing

Figure 1: Five Factor Framework for Middle Managers (Thompson et al 2008 page 65)

Figure 1 describes the three focuses of middle management interaction: middle managers have to negotiate between their superiors or top management, their peers and those who they supervise or the employees. In their relationship with top managers, middle managers show their understanding of organisational directives by following instructions and try influence strategic decision-making by championing the needs of those below them and the realities of the organisation on the ground. According to Thompson and his co-authors, with their peers, middle managers focus on collaboration while one could suspect that there is also a certain amount of competition at this level. With their subordinates or employees, middle managers listen in order to seek understanding and influence action by directing their team in accordance with the requirements of top management. This matrix of relationships expresses the complex role of middle managers in trying to balance the needs of multiple stakeholders who often have conflicting needs.

A study by Qiao and Wang (2009) found that the critical competencies required by middle managers in China are teambuilding, communication, coordination, execution and continual learning. The study compared these to the skills required by senior managers and found there to be a distinctive difference between the roles and responsibilities of the different managerial levels. The theme of describing middle management as the “glue” in the organisation is identified (Qiao and Wang 2009) which parallels the idea that middle management facilitate interaction between the higher and lower echelons of the organisation (Thompson *et al* 2008).

		Nature of Activity	
		Sensemaking	Coordination and management
Orientation	Peers/Self	Understanding personal change	Keeping the business going
	Team	Helping others through change	Implementing changes to departments

Figure 2: Middle managers as change intermediaries (Balogun 2003 page 75)

Balogun (2003) views the main function of middle managers as managing change in the organisation. Balogun (2003) interviewed middle managers to find that as companies grow or shrink, improve policies and procedures, restructure and evolve, middle managers become the vital link in understanding and coordinating the change. Figure 2 expresses this complex role by defining the role of middle management as sensemaking and coordination and management. In order to make sense of the realities within the organisation, middle managers need to understand personal change as well as help their team through change. Their role of coordination and management requires them to keep the business going while trying to implement changes in their departments.

Considering the importance of building and managing relationships in the role of the middle manager (Thompson *et al* 2008) and the importance of ego resilience in dealing with interpersonal relationships (Block and Kremen 1996), it would seem that resilience is inextricably linked to effective middle management performance. Also, as change agents in the organisation, personally dealing with change as well as managing change within the organisation (Balogun 2003), middle managers need to be highly resilient.

2.3 Staff turnover

Employees leave organisations for two reasons – either because they are forced out as a result of non-performance or downsizing or because they choose to leave for personal or career growth reasons. Both these incidences can be expected in an economic down-turn when hiring is slow in the economy in general, which translate into the rates of voluntary separation decreasing while those of involuntary separation have increased (HRfocus 2010). One of the most important factors in any business is recruiting and retaining the right employees (Dermody, Young and Taylor 2004). This is an even greater concern in the foodservice industry because the workforce is significantly more unstable than other retail industries (Zuber 2001).

2.3.1 Causes

Despite differences in industry, organisational culture and personal circumstances, most employees are motivated in their job because of one or many of the following factors:

- The organisation for which they work
- Their boss
- The work environment
- Recognition
- The achievements they can produce when they play a specific role
- The power that a position enables them with
- Status
- Their peers, team and co-workers
- The work schedule

(Premoli 2003 as cited in Dermody *et al* 2004 page 5)

To keep every employee satisfied and motivated, managers would need to understand what motivates each staff member individually and design their work environment accordingly. As Thomas (2010) says, an ability to retain employees comes “from management listening to employees and devising benefits and initiatives that are important to them” (page 13).

A study by HRfocus (2010) revealed that the second most cited explanation for staff turnover as being for personal reasons, i.e.: leaving current employment to care for a child, or to support a spouse being relocated, or to move out of an organisation due to a perceived bad boss. One HR manager that was interviewed explained that “Employees don’t leave their company, they quit their manager” (page 13). In the sales industry, an employee’s job satisfaction is specifically linked directly to the relationship of that person to their sales manager (Boe 2010), illustrating that there is a large impact a manager’s leadership style and interpersonal skills on his or her subordinates.

Although some employees voluntarily separate for higher compensation (HRfocus 2010), money is not the sole reason for leaving current employment. A study on young lawyers showed that 66% of associates would take a cut in pay in order to work less hours in a week (IOMA 2007). From an article in HRfocus (2006) it is clear that it is important for organisations to differentiate the pay scale between top performers and average or standard employees in order to retain talent, but pay as the ultimate deciding factor for taking up employment at an organisation seems to be falling away as the most important factor in staff retention in general.

A more recent factor leading to staff turnover is the need to attain a work-life balance (HRfocus 2010). In environments where managers implement initiatives to allow for such a balance, such a flexi-time and breaks from work, retention improves (Maxwell 2005). A work-life balance affects employees on two fronts: firstly, they become dissatisfied with their work-life and try to leave the organisation and secondly, they have conflict with their families at home who have to deal with an absent family member who is overly stressed (Deery 2008).

Related to work-life balance is another factor that had recently found its way into the lime light of retention research. Authors such as Karatepe and Uludag (2007) have understood that the emotional exhaustion caused by trying to balance a demanding job and a social/family life lead to high levels of stress, emotional exhaustion and ultimately the decision to look for alternative employment. Greater attention is being given to the individual components of stress, such as cynicism and sabotage, which are seriously affecting employees' mental states at work (Deery 2008).

2.3.2 Benefits

There are certain benefits to a healthy churn of staff. In environments where there is very low turnover, organisations may be suffering because people that are not performing are not being identified and dismissed. The 'talent paradox' also becomes important: individual's who leave organisations for better career

opportunities tend to be the top talent who are ambitious, confident and not afraid of taking risks – these are typically leaders in their current positions and most likely future leaders (Thomas 2010). With 67.8% of voluntary separation being as a result of career opportunities (HRfocus 2010), companies in which there is no churn of staff risk being left with less ambitious staff who are less inclined to actively manage their own careers (Thomas 2010).

2.3.3 Challenges

The biggest problem with staff turnover is that it is expensive. Lashley (2000 as cited in Lashley 2002) details some of the direct and indirect costs of staff turnover in Table 2 below:

Direct Costs	Indirect Costs
Advertising for replacements	Lost investment in training
Management time spent recruiting, selecting, interviewing, inducting and training	Opportunity cost of lost management time
Recruitment agency fees	Reduced service quality
Travel expenses for interviews	Increased wastage and costs
Postage and stationery	Customer dissatisfaction
Induction and orientation training	Negative impact on remaining staff
Training	Lost staff expertise
Over-time cover	
Processing new recruits documents	
Processing ex-employees documents	
Uniforms	

Table 2: Some direct and indirect costs of staff turnover (Lashley 2000, as cited in Lashley 2002 page 26)

If there is high turnover, it can indicate an unstable working environment where employees lack job stability and are constantly afraid of being fired or disciplined (Thomas 2010). High turnover can also be a symptom of much more serious problems in an organisation. For example, Duggan (2010) explains that

retention is more about organisational culture than formal programmes – accordingly high turnover occurs in negative environments where trust is lacking, managers are constantly moving in and out of the organisation and leadership lacks vision, direction, accountability and fairness.

2.4 Resilience and staff turnover

A study by Edward (2005) in the health care industry showed that resilience has a serious impact on reducing stress and burnout in workers and therefore, reduces attrition. In stressful working environments, resilience allows individuals to feel confident in their ability to deal with change, and they are better able to turn negative experiences into opportunities and create positive outcomes (Edward 2005). Because staff turnover is strongly linked with stress (Deery 2008; Karatepe and Uludag 2007) and resilience plays a major role in coping with stress, these two constructs are inextricably linked.

Luthans, Luthans and Luthans (2004) identify resilience as a key factor in the development of positive psychological capital in organisations – resilient individuals show “social competence, a sense of purpose and future” (page 49). Organisations with strong psychological capital have increased productivity, customer service – and retention (Luthans *et al* 2004). This idea is reiterated further by Luthans and Lester (2006) and Avey, Luthans and Jensen (2009) who explain that resilience is a key factor in helping employees cope with stress in organisations, especially in changing jobs or surviving retrenchments. The role management plays in creating an environment of reassurance and positive thinking is vital (Luthans *et al* 2006) as their team members look to their superiors to model their own behaviour (Luthans *et al* 2004).

In an attempt to measure the relationship between these variables, Avey, Luthans and Jensen (2009) developed a model of psychological capital and stress (see Figure 3). The research showed that “today’s employees need to draw from previously unrecognised and largely untapped positive resources, such as psychological capital, to help them combat the dysfunctional effects of stress” (Avey *et al* 2009 page 678). The research showed that there is a

significant negative relationship between positive psychological capital and the intentions to either quit or search the job market are behaviours that indicate voluntary turnover (Avey *et al* 2009). Therefore, resilience, as a key component of psychological capital, is an essential factor in employee turnover.

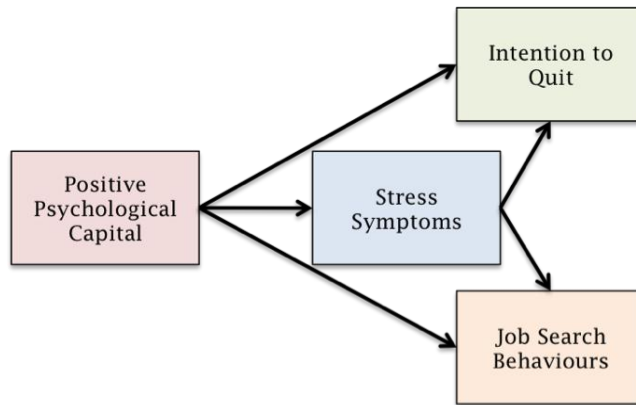


Figure 3: Model of psychological capital and stress (Avey et al 2009)

2.4.1 Self-Reliance and Staff Turnover

Caplan (1990) describes self-reliance as one's ability to count on oneself – in general and specifically during times of stress and loss. In defining self-efficacy, Zulkosky (2009) states, "Self is the identity of a person while efficacy is the defined as the power to produce an effect" (page 95). According to this understanding, 'reliance' becomes the ability to trust in one's ability to produce an effect. A model of Cherokee Self-Reliance defines this concept as being responsible (caring for self and caring for others), being confident (having a sense of identity and having a sense of self-worth) and being disciplined (setting and pursuing goals) (Lowe, Riggs, Hensen and Liehr 2009)

The American Army has started to train resilience as one of the core components of Comprehensive Soldier Fitness (Seligman 2011). As part of this programme soldiers "build signature strengths" (Seligman 2011 page 105) in order to understand their unique abilities to cope under fire and contribute to the challenges they experience on the battlefield. The ability to depend on oneself

in battle is seen as a key component to reducing burnout and post-traumatic stress.

In a study on nurses working in a highly specialised, stressful and demanding environment, Edward (2005) found that one of the common factors that contributed to well-being is a sense of “autonomy, responsibility and confidence” (page 146). The author (Edward 2005) suggests that individuals who are more reliant on their own abilities deal more effectively with changes and stress than those who constantly doubt themselves, and suggests that this aspect of resilience should be made available as a tool for professional purposes in order to reduce burnout and staff turnover (DHS 2003 as cited in Edwards 2005).

2.4.2 *Meaning and Staff Turnover*

Viktor Frankl (1985) explained that finding meaning in life is a fundamental aspect of human nature – a need he labelled ‘the will to meaning’. Frankl explains that this need is not created but is an intrinsic value that stems from our experiences, creativity and attitudes (Frankl 1985). In a study on assessing the impact of meaning creation on readiness for change in South Africa, Burger, Crous and Roodt (2008) explain the impact of meaning in an organisational context. Schlechter and Engelbrecht define meaning [as] “an important correlate of work motivation and positive work attitudes” (page 5). Marlow and Klenke (2005) explain meaning as creating a clear link between meaning and organisational commitment.

Seligman (2002) found that the most satisfied or ‘happy’ people orientate their pursuits towards (1) positive emotion and pleasure (2) being engaged with life and (3) having a meaningful life. According to Peterson, Park and Seligman (2005), the most satisfied individuals are those who pursue all three of these with a definite focus on meaning. Research found that happier people are healthier, more successful and the more engaged than those who do not experience the same levels of happiness (Seligman, Steen, Park, Peterson 2005). Across his research, Seligman has built a theory that expounds the

importance of meaning, in that having meaning in life creates happiness, which in turn leads to success and achievement.

In his study on staff turnover in the fast food industry in the United Kingdom, Langhorn (2004) found a significant relationship ($p = 0.033$) between happiness and staff turnover. The other key drivers found in this study were stress tolerance and problem solving. The study showed that team turnover decreases and managerial performance and customer satisfaction increase when managers are able “to be positive and optimistic, and have more of an orientation to ‘look on the brighter side of life’” (page 228).

2.4.3 Equanimity and Staff Turnover

Equanimity refers to an individual’s ability to remain composed through trials and tribulations and to moderate extreme responses (Wagnild 2009a). Carmeli (2003) explains that individuals who are better able to monitor, evaluate and adjust their internal emotions and portray a positive affect are better able to relate to and interact with others; this is a vital skill in positions of leadership where social influence is a key factor. Langhorn (2004) shows that managers in the service industry who are seen to be optimistic and who are able to understand their own emotions perform better than those who do not – leading to increased individual performance and reduced team turnover.

2.4.4 Perseverance and Staff Turnover

Bandura (1989) explains that perseverance can be considered the length of time and the amount of effort an individual will employ in the face of difficult situation. Perseverance is related to self-efficacy – the perception of one’s ability to perform is an important predictor of the effort an individual will expend in trying to complete a task (Lenz and Shortridge-Baggett 2002). This element of resilience has a common sense link to the time period that an individual is able to be in a job where antagonism is rife or where performance levels are in question. Individuals with low perseverance levels will leave these environments

sooner than those who persevere either to leave eventually or to cause the necessary changes in the environment to remain in the job.

2.4.5 *Existential Aloneness and Staff Turnover*

Existential aloneness is a person's belief that their life is unique and that they need to face certain challenges and experiences alone (Wagnild 1990a). Kant (1965) theorised that it is man's capacity for autonomy, liberty and freedom that allows human beings to have dignity. Autonomy is attributed to self-determination, independence, internal locus of control and internal regulation of behaviour. Underlying these attributes is the perspective that one's thoughts and actions are self determined (Christopher 1999). The concept of the autonomous self varies in different cultural paradigms. In Western societies, individuals see themselves as being independent yet living within society; in countries such as India and Japan, Eastern social thought intrinsically links the self to the group to which one belongs (Shweder and Bourne 1984; Rosenburger 1992). From a Western perspective, an ability to be accountable for one's own actions creates empowerment in a stressful working environment and ultimately reduces turnover (Edward 2005). The impact of this element of resilience on staff turnover in the South African environment may not be relevant because of the cultural philosophy of 'ubuntu' that declares "I am because we are" – putting the collective above the individual (Sulamoyo 2010 page 41).

2.5 The Fast Food Industry

The fast food industry is a very stressful and intensive work environment, especially in the franchise environment where competition is rife as parties vie for a competitive advantage (Michailids and Elwakai 2003). This is amplified by the global trend in which customers' demands are continuously increasing and indispensable service levels need to be implemented in order to meet these changing needs (Lee, Kim, Hemmington and Yun 2004). In this high-pressured

environment, the challenges facing middle managers are intensified and the need for effective tools to enhance performance is increased.

2.6 Conclusion of Literature Review

The literature review reveals that resilience is a complex construct that affects an individual's ability to cope during stressful and volatile situations or contexts. Business in general finds itself in a highly uncertain and stressful environment from a global financial perspective as well as the operational demands of the highly competitive economy. Many organisations are downsizing and delayering because of global crises, middle management in particular are facing increased stress. The research indicates that the individual middle manager's ability to cope with change and uncertainty should have an impact on their team's turnover.

2.6.1 Proposition 1:

Middle management's self-reliance level has an impact on staff turnover.

2.6.2 Proposition 2:

Middle management's meaning level has an impact on staff turnover.

2.6.3 Proposition 3:

Middle management's equanimity level has an impact on staff turnover.

2.6.1 Proposition 4:

Middle management's perseverance level has an impact on staff turnover.

2.6.2 Proposition 5:

Middle management's existential aloneness level has an impact on staff turnover.

3 RESEARCH METHODOLOGY

This section outlines the methodology that was used to conduct this research. Firstly, the literature around quantitative research is discussed, followed by a review of the research design and research instruments that were used. Issues of data collection and analysis in relation to this study are provided. A discussion about the validity and reliability of this study has been completed, and will conclude this chapter.

3.1 Research methodology / paradigm

In order to “illuminate the problem”, Falconer and Mac Kay (1999 page 293) suggest that different methods of research will achieve different aims and therefore the researcher should choose the method that best meets these aims. This research made use of quantitative research methodology in order to investigate the research question. In the quantitative paradigm, the variables of the study are identified, measured and finally these measures are compared using statistical techniques (Babbie and Mouton 2004). “Statistics are a set of mathematical techniques that allow the researcher to make claims about the nature of the world using forms of principled statistical argument” (Terre Blanche and Durheim 1999 page 97). This methodology is most appropriate because the nature of study analyses the impact of one variable on another.

Data on the resilience variable was collected through personal contact with each manager in which a 10-15 minute questionnaire was completed, using a likert-scale. Staff turnover levels were collected from the Balance Scorecard of each store – this data was collected from the Roossenekal Foods Restaurant Support Centre.

3.2 Research design

The research design was in the form of a regression statistical technique. This is the most effective design for this research as it measures the impact of one variable on another (Babbie and Mouton 2004). A similar research methodology

was used by Langhorn (2004) to investigate the relationship between Emotional Intelligence and Performance in the hospitality industry. The advantages of this design are its ability to capture data in a uniform manner and measure the relationship between variables. Disadvantages are that an ordinal instrument is used that may nullify or ignore the complexity of the construct and each respondent's unique experience thereof.

3.3 Population and sample

3.3.1 Population

The population of this research is all middle managers working in franchised restaurants in the fast food industry in South Africa in the Limpopo, Mpumalanga and North West provinces. Table 3 expresses the total number of managers in each province, the sample number being used in this study and the percentage of sample in relation to the population that the study will cover.

	Population	Sample	Percentage
Limpopo	31	8	26%
Mpumalanga	37	20	54%
North West	31	11	35%
Total	99	39	39%

Table 3: The number of managers that will be used as a percentage of total managers in each province

3.3.2 Sample and sampling method

The sample was taken from the Restaurant General Managers (RGMs) of the KFC franchise group Roossenekal Foods (Pty) Ltd. There are 39 RGMs in this group that were individually contacted telephonically and times were arranged with those who were willing to participate in the study to complete the questionnaire. Questionnaires were completed in the presence of the researcher, instead of via e-mail or online, in order to avoid a low response rate

that might have occurred as managers struggle with the burden of their day-to-day work. This was a convenience sampling technique.

3.4 The research instruments

3.4.1 *The Resilience Scale*

The Resilience Scale (Wagnild and Young 1990) was the first instrument developed to measure resilience and has been used in over 2600 studies across a wide range of population groups and contexts, some of which have been described in Table 4 below (Wagnild 2009). The scale consists of twenty-five questions on a five-point likert-scale that measure the sample's responses to statements, from "I strongly disagree" to "I strongly agree". The scale is a proven instrument that provides quick and easy results, as well as being easy to score, applicable across different age groups, valid and reliable (Wagnild 2009b). A sample of studies using the Resilience Scale are listed in Table 4 below:

Author	Title
Assis, Santos, Oliveira and Carvalaes (2004)	Risk and protection: looking for an equilibrium that provides resilience
Brix, Schleussner and Fuller (2008)	The need for psychological support and its determinants in a sample of patients undergoing radio-oncological treatment of cancer
Caltabiano and Catalbiano (2006)	Resilience and health outcomes in the elderly
Hmieleski and Carr (2007)	The relationship between entrepreneur psychological capital and well-being
Hunter and Chandler (1999)	Adolescent Resilience
Miller and Chandler (2002)	Acculturation, resilience, and depression in midlife women from the former Soviet Union
Neil and Dias (2001)	Adventure education and resilience: a double-edged sword
Schachman, Lee and Lederman (2004)	Baby boot camp: Facilitating maternal role among military wives

Table 4: A sample of studies that have utilised the Resilience Scale as described by Wagnild (2009a)

3.4.2 *Balanced Scorecard*

Data on levels of staff turnover was collected from the company's Balanced Scorecard. Balanced Scorecard was developed by Kaplan and Norton (1996) in

an attempt to align business measures with the vision and strategy of the organisation in a condensed and user-friendly fashion. A company's strategy is defined and measures that will make the strategy a reality are identified and managers are able to get an overall picture of how their company is doing in achieving its goals. The Roossenekal Foods Restaurant Support Centre is the central administrative hub of the KFC franchisee. Levels of staff turnover are recorded and included in the Balanced Scorecard as a key indicator in understanding what is happening in the labour force.

3.5 Procedure for data collection

Times were arranged with the RGMs who agree to participate in the research. The interview took place in the restaurant where the RGM is responsible. This location provided an opportunity to observe the respondent in his or her working environment. Staff turnover levels were collected from the Balanced Scorecard of each store that is collated at the Roossenekal Foods Restaurant Support Centre.

3.6 Data analysis and interpretation

Data was analysed using the statistical method of linear regression analysis. Wegner (2007 page 407) defines regression as "defin[ing] the structural relationship between two numeric random variables as a mathematical equation". In the case of this study, self-reliance, meaning, equanimity, perseverance and existential aloneness were looked at as the independent variables that had an impact on staff turnover percentage, the dependent variable. The results of the analysis explain what form the relationship between the two variables takes and how strong the relationship is.

3.7 Limitations of the study

This study is reliant on a sample of individuals. The lack of qualitative findings is a limitation to those researchers who wish to access the complexity of each individual's unique experience in her or her job. The likert-scale utilises a

quantitative framework and individual concerns where realities and experiences are not be addressed. The Resilience Scale was developed in the United States and even though it has been used around the world (see Table 4), it does not take into account the specific language, cultural and gender realities within the South African context. All questions are written in English, a second language for most of the managers. As with any self-report instrument, the results are limited because of 'social desirability', which means the respondents' need to appear to be something that he or she is not (Babbie and Mouton 2004). In order to avoid this phenomenon the respondents will be assured that there are no right or wrong answers and that the results of this research will in no way impact on their performance as the company will not have access to individuals' scores.

3.8 Validity and reliability

3.8.1 External validity

External validity allows the findings of this study to be generalised across the population group and asks to what extent are the results in this case likely to be repeated in another case (Babbie 2004, Neuedorf 2002). This research focuses on forty middle managers in the South African KFC system in the Limpopo, Mpumalanga and North West Provinces and the findings will not be applicable to the other managers who do not work in this environment. The sample covers 39% of managers in the same environment (see Table 2) and findings will be applicable to the other 61% of managers working in these provinces. Currently there are over six hundred stores in South Africa that have the same operational requirements as Roossenekal Foods but do not function in the same areas. Applicability to other fast food chains is limited because each has a different financial, operational and marketing paradigm. The study focuses specifically on the South African context and applicability to other neighbouring or emerging economies will not be established.

3.8.2 *Internal validity*

Internal validity is the extent to which the chosen constructs and measures adequately assess what the study was designed to investigate (Babbie and Mouton 2004). In order to ensure that internal validity exists, each of the following were analysed based on surface validity and plausibility: the research methodology, the instrument and the results. The results of the research were triangulated with external data sources in order to ensure that they are in line with previous research that has been completed in the field. Ultimately, the ability of the research instrument used to measure resilience plays a major role in establishing relevant data for the purposes of analysis.

3.8.3 *Validity of the Resilience Scale*

The Resilience Scale was shown to have a high correlation ($r = 0.62$) with the self-actualisation construct of the Health Promoting Lifestyle Profile (HPLP) and low correlations with the nutrition and exercise factors in a sample of 776 middle-aged adults (Wagnild 2009a). Four distinct groups (self-identifiers depressants, healthy individuals, diagnosed bipolar disorder and heart disease) completed the Resilience Scale and scores for the depressed and bipolar disorder groups were significantly lower, as expected (Wagnild 2009a).

3.8.4 *Reliability*

The requirement of reliability involves the ability of a given research question to yield the same results if the instrument and sample remain the same (Babbie and Mouton 2004; Terre Blanche and Durheim 1999). In this study reliability will be ensured because of use of a research instrument that has been meticulously tested for this construct. Table 5 shows the coefficient alpha for the Resilience Scale as analysed in a series of studies done to test the reliability of the instrument.

Study	Coefficient Alpha	Author
Healthy (n = 796)	0.92	Wagnild and Young (1993)
Depressed (n = 63)	0.92	Wagnild (2009)
Healthy (n = 707)	0.94	Wagnild (2009)
Heart Disease (n = 111)	0.93	Wagnild (2009)
Sheltered Battered Women (n = 50)	0.94	Humphreys (2003)
Older Adults (n = 497)	0.94	Broyles (2005)
Older Adults (n = 125)	0.85	Nygren, Alex, Gutafson, Norberg and Lundman (2005)
Older Adults (n = 599)	0.94	Leppert, Gunzelmann, Schumacher, Strauss and Brahler (2005)

Table 5: Coefficient Alpha for the Resilience Scale as used in several studies completed around the world (Wagnild 2009a pg36)

4 PRESENTATION OF RESULTS

4.1 Introduction

This section will present the results that were obtained from a thorough statistical analysis of the data collected. All of the results will be recorded and appropriate hypothesis tests conducted. A description of the overall data will be chronicled and each of the research propositions described in section 2.6 will be addressed individually. Each research proposition will be accessed using Person's Correlation Coefficients and a predictive model of staff turnover will attempt to be delineated using regression analysis.

4.2 Profile of respondents

All of the 39 RGMs were approached to participate in the study but only 36 valid responses were obtained. Three of the responses had to be excluded from the data analysis as there was insufficient information on the staff turnover history of the stores as one was newly built and two were newly acquired. This is a response rate of 92% and is very high because of the buy-in from the company and its management team as to this importance of the research results for everyone in the organisation.

Question		Sample Mean Score	Standard Mean Scores
1	When I make plans I follow through with them.	4.44	4.21
2	I usually manage one way or another.	4.14	4.36
3	I am able to depend on myself more than anyone else.	4.47	4.21
4	Keeping interested in things is important to me.	4.53	4.57
5	I can be on my own if I have to.	4.53	4.57
6	I feel proud that I have accomplished things in life.	4.97	4.43
7	I usually take things in my stride.	4.00	4.21
8	I am friends with myself.	4.64	4.43
9	I feel that I can handle many things at a time.	3.67	3.79
10	I am determined.	4.44	4.14
11	I seldom wonder what the point of it all is.	3.50	3.64
12	I take things one day at a time.	4.06	4.07
13	I can get through difficult times because I have experienced difficulty before.	4.67	4.36
14	I have self-discipline.	4.64	4.57
15	I keep interested in things.	4.33	4.57
16	I can usually find something to laugh about.	4.31	4.36
17	My belief in myself gets me through hard times.	4.28	4.21
18	In an emergency I'm someone people can generally rely on.	4.39	4.21
19	I can usually look at a situation in a number of ways.	4.31	4.14
20	Sometimes I make myself do things whether I want to or not.	3.86	4.21
21	My life has meaning.	4.78	4.36
22	I do not dwell on things I can't do anything about.	3.78	4.07
23	When I'm in a difficult situation I can usually find my way out of it.	4.58	4.21
24	I have enough energy to do what I have to do.	4.42	4.07
25	It's okay if there are people who didn't like me.	4.33	3.86

Table 6: A summary of the sample and standard mean scores for each question on the Resilience Scale

With the five-point likert-scale, possible scores on the Resilience Scale range from 25 to 125. Scores in this sample ranged from 82 to 120 with a mean of 101.8056. The scores from the Resilience Scale have a kurtosis of 2.1713 signifying that the data is leptokurtic and there is a slight positive skewness of 0.0156. Mean scores for each question (see Figure 5) show that respondents, on average, felt themselves to be moderately or highly adept in every element of resilience with the lowest score being 3.5 for question 11 and the highest 4.97 for question 6.

Individuals with scores of 85 or lower are described as having low resilience, those with between 86 and 103 are said to be moderately resilient and those with a score of 104 or above have high resilience (Wagnild 2009a). Overall, the group mainly comprised of individuals who reported themselves as having either moderate or high levels of resilience with only one respondent demonstrating resilience level of below 85. The breakdown of RGMs in each resilience level is summarised in Table 7:

Resilience Level	Score on Resilience Scale	Number of RGMs in this Group	Percentage
Low Resilience	$x \leq 85$	1	2.78%
Moderate Resilience	$86 \leq x \leq 103$	21	58.33%
High Resilience	$x \geq 104$	14	38.89%

Table 7: A summary of the resilience levels of the respondents

4.3 Staff turnover data

The data collected from the Balanced Scorecard depicting staff turnover is depicted in Table 8. Each region has several restaurants within its boundaries. The average team size has been calculated by adding up the total number of people employed in a restaurant in every one of the 13 periods of the last year and dividing the total by 13. Average staff turnover has been calculated by taking an average of the number of people who have left the restaurant in the same 13 period cycle. The turnover percentage shows the average staff turnover divided by the average team size – this expresses the turnover trend in each restaurant over the last year. The average turnover percentage represents the average of all of the turnover percentages for each store in each region.

Region	Store	Average Team Size	Average Staff Turnover	Turnover Percentage	Average Turnover Percentage per Region
Highveld	Middelburg 1	37	1.77	4.78%	9.84%
	Middelburg 2	20	1.62	8.08%	
	Middelburg West	39	3.85	9.86%	
	Technopark	21	3.85	18.32%	
	Witbank 1	40	3.77	9.42%	
	Witbank 2	46	3.85	8.36%	
	Witbank 3	39	3.92	10.06%	
Limpopo	Duiwelskloof	16	0.69	4.33%	4.02%
	Maake	20	1.08	5.38%	
	Makapone 2	27	0.77	2.85%	
	Makopane 1	22	1.38	6.29%	
	Phalaborwa	35	0.85	2.42%	
	Tzaneen	38	1.38	3.64%	
	Tzaneng Mall	24	0.77	3.21%	
Lowveld North	Acornhoek	16	0.38	2.40%	3.18%
	Bushbuckridge	25	1.00	4.00%	
	Hazyview	27	1.00	3.70%	
	Lydenberg	18	0.31	1.71%	
	White River	17	0.69	4.07%	
Lowveld South	Barberton	15	0.38	2.56%	3.02%
	Malelane	21	0.31	1.47%	
	Nelspruit Grove	23	1.77	7.69%	
	Nelspruit 1	31	2.15	6.95%	
	Nelspruit 2	19	0.23	1.21%	
	Nelspruit Plaza	34	0.00	0.00%	
	Schoemansdal	12	0.15	1.28%	
Mpumalanga	Bronkhorstspuit	27	1.62	5.98%	3.16%
	Groblersdal	31	0.54	1.74%	
	Kwagga Plaza	24	0.77	3.21%	
	Marble Hall	23	0.69	3.01%	
	Moloto	25	0.46	1.85%	
North West	Fochville	18	0.77	4.27%	4.65%
	Orkney	22	1.00	4.55%	
	Potchefstroom 1	19	1.62	8.50%	
	Potchefstroom 2	33	1.23	3.73%	
	Zeerust	21	0.46	2.20%	

Table 8: Staff turnover percentages for each restaurant by region

4.4 Results pertaining to Proposition 1

In order to understand the impact of the middle manager's self-reliance level on staff turnover, a regression analysis was conducted assessing the impact of self-reliance on staff turnover percentage.

H₀: Self-reliance has an impact on staff turnover

H₁: Self-reliance does not have an impact on staff turnover

$\alpha = 0.05$

Linear Regression					
<i>Regression Statistics</i>					
<i>R</i>	0.1229				
<i>R Square</i>	0.0151				
<i>Adjusted R Square</i>	-0.0139				
<i>Standard Error</i>	0.0357				
<i>Total Number Of Cases</i>	36				
Turnover Percentage = 0.0845 - 0.0018 * Self-Reliance					
<i>ANOVA</i>					
	<i>d.f.</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p-level</i>
<i>Regression</i>	1.	0.0007	0.0007	0.5211	0.4753
<i>Residual</i>	34.	0.0433	0.0013		
<i>Total</i>	35.	0.0439			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>p-level</i>	
<i>Intercept</i>	0.0845	0.0508	1.6627	0.1056	
<i>Self-Reliance</i>	-0.0018	0.0025	-0.7219	0.4753	

Table 9: Regression of staff turnover and self-reliance

The hypothesis test (see results in Table 9) indicates self-reliance has a very weak impact on staff turnover with $p = 0.4753$. The R-Squared value is 0.0151 revealing that self-reliance causes a 1.5% variation on staff turnover percentage. Based on the data collected from this study we fail to reject H₁: Self-reliance does not have an impact on staff turnover. Therefore, there is insufficient data to suggest that self-reliance has a significant impact on staff turnover percentage.

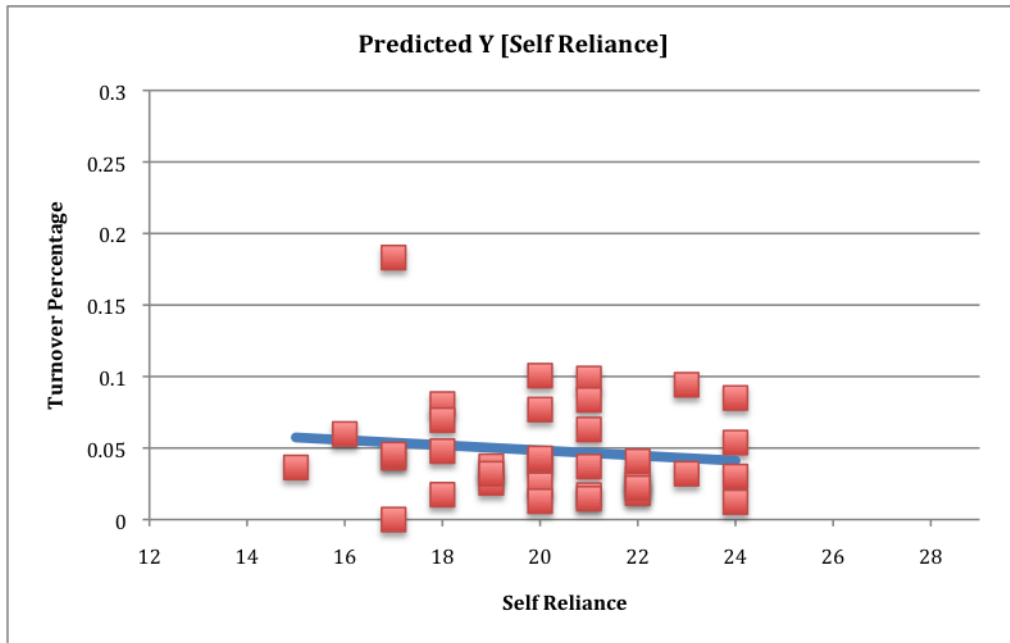


Figure 4: Scatter plot of self-reliance and turnover percentage

The scatter plot in Figure 4 illustrates the line of best fit in blue and the data points in red. The congregation of points around the line of best fit suggests a marginal and not a linear effect.

4.5 Results pertaining to Proposition 2

In order to understand the impact of the middle manager's meaning level on staff turnover, a regression analysis was conducted assessing the impact of meaning on staff turnover percentage.

H_0 : Meaning has an impact on staff turnover

H_1 : Meaning does not have an impact on staff turnover

$\alpha = 0.05$

Linear Regression					
<i>Regression Statistics</i>					
<i>R</i>	0.2768				
<i>R Square</i>	0.0766				
<i>Adjusted R Square</i>	0.0495				
<i>Standard Error</i>	0.0345				
<i>Total Number Of Cases</i>	36				
Turnover Percentage = 0.1450 - 0.0046 * Meaning					
<i>ANOVA</i>					
	<i>d.f.</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p-level</i>
<i>Regression</i>	1.	0.0034	0.0034	2.8217	0.1022
<i>Residual</i>	34.	0.0405	0.0012		
<i>Total</i>	35.	0.0439			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>p-level</i>	
<i>Intercept</i>	0.145	0.058	2.5007	0.0174	
<i>Meaning</i>	-0.0046	0.0027	-1.6798	0.1022	

Table 10: Regression of staff turnover and meaning

The hypothesis test (see results in Table 11) indicates that meaning has a weak impact on staff turnover with $p = 0.1022$. The R-Squared value is 0.0766 revealing that meaning causes a 7.66% variation on staff turnover percentage. Based on the data collected from this study we fail to reject H_1 : Meaning does not have an impact on staff turnover. Therefore, there is insufficient data to suggest that meaning has a significant impact on staff turnover.

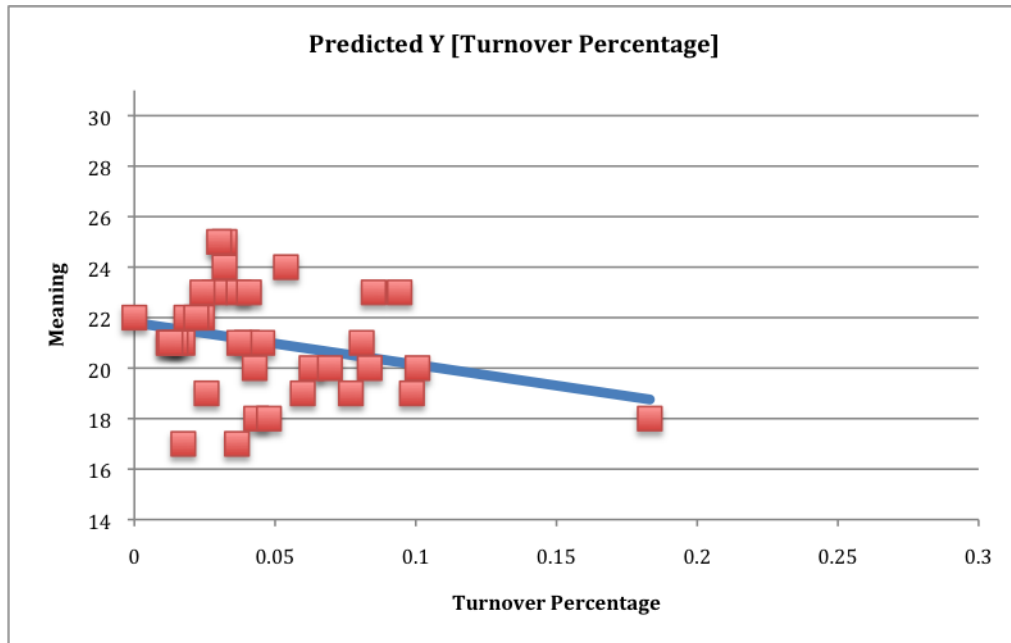


Figure 5: Scatter plot of meaning and turnover percentage

The scatter plot in Figure 5 illustrates the line of best fit in blue and the data points in red. The congregation of points around the line of best fit suggests a marginal and not a linear effect.

4.6 Results pertaining to Proposition 3

In order to understand the impact of the middle manager's equanimity level on staff turnover, a regression analysis was conducted assessing the impact of equanimity on staff turnover.

H_0 : Equanimity has an impact on staff turnover

H_1 : Equanimity does not have an impact on staff turnover

$\alpha = 0.05$

Linear Regression					
<i>Regression Statistics</i>					
<i>R</i>	0.1004				
<i>R Square</i>	0.0101				
<i>Adjusted R Square</i>	-0.019				
<i>Standard Error</i>	0.0358				
<i>Total Number Of Cases</i>	36				
Turnover Percentage = 0.0714 - 0.0012 * Equanimity					
<i>ANOVA</i>					
	<i>d.f.</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p-level</i>
<i>Regression</i>	1.	0.0004	0.0004	0.3462	0.5602
<i>Residual</i>	34.	0.0435	0.0013		
<i>Total</i>	35.	0.0439			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>p-level</i>	
<i>Intercept</i>	0.0714	0.04	1.7836	0.0834	
<i>Equanimity</i>	-0.0012	0.0021	-0.5883	0.5602	

Table 11: Regression of staff turnover and equanimity

The hypothesis test (see results in Table 11) indicates that equanimity has a very weak impact on staff turnover with $p = 0.5602$. The R-Squared value is 0.0101 revealing that equanimity causes a 1.01% variation on staff turnover percentage. Based on the data collected from this study we fail to reject H_1 : Equanimity does not have an impact on staff turnover. Therefore, there is insufficient data to suggest that equanimity has a significant impact on staff turnover.

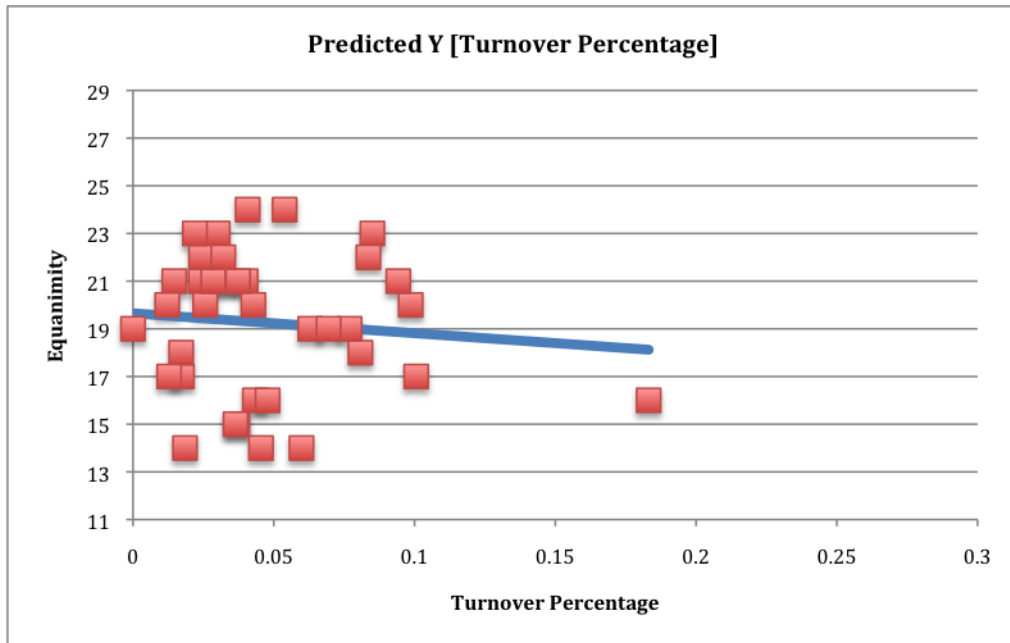


Figure 6: Scatter plot of equanimity and turnover percentage

The scatter plot in Figure 6 illustrates the line of best fit in blue and the data points in red. The congregation of points around the line of best fit suggests a marginal and not a linear effect.

4.7 Results pertaining to Proposition 4

In order to understand the impact of the middle manager's perseverance level on staff turnover, a regression analysis was conducted assessing the impact of perseverance on staff turnover.

H_0 : Perseverance has an impact on staff turnover

H_1 : Perseverance does not have an impact on staff turnover

$\alpha = 0.05$

Linear Regression					
Regression Statistics					
R	0.1988				
R Square	0.0395				
Adjusted R Square	0.0113				
Standard Error	0.0352				
Total Number Of Cases	36				
Turnover Percentage = 0.1039 - 0.0027 * Perseverance					
ANOVA					
	d.f.	SS	MS	F	p-level
Regression	1.	0.0017	0.0017	1.3996	0.245
Residual	34.	0.0422	0.0012		
Total	35.	0.0439			
	Coefficients	Standard Error	t Stat	p-level	
Intercept	0.1039	0.0476	2.1844	0.0359	
Perseverance	-0.0027	0.0023	-1.1831	0.245	

Table 12: Regression of staff turnover and perseverance

The hypothesis test (see results in Table 12) indicates that perseverance has a very weak impact on staff turnover with $p = 0.245$. The R-Squared value is 0.0395 revealing that perseverance causes a 3.95% variation on staff turnover percentage. Based on the data collected from this study we fail to reject H_1 : Perseverance does not have an impact on staff turnover. Therefore, there is insufficient data to suggest that perseverance has a significant impact on staff turnover.

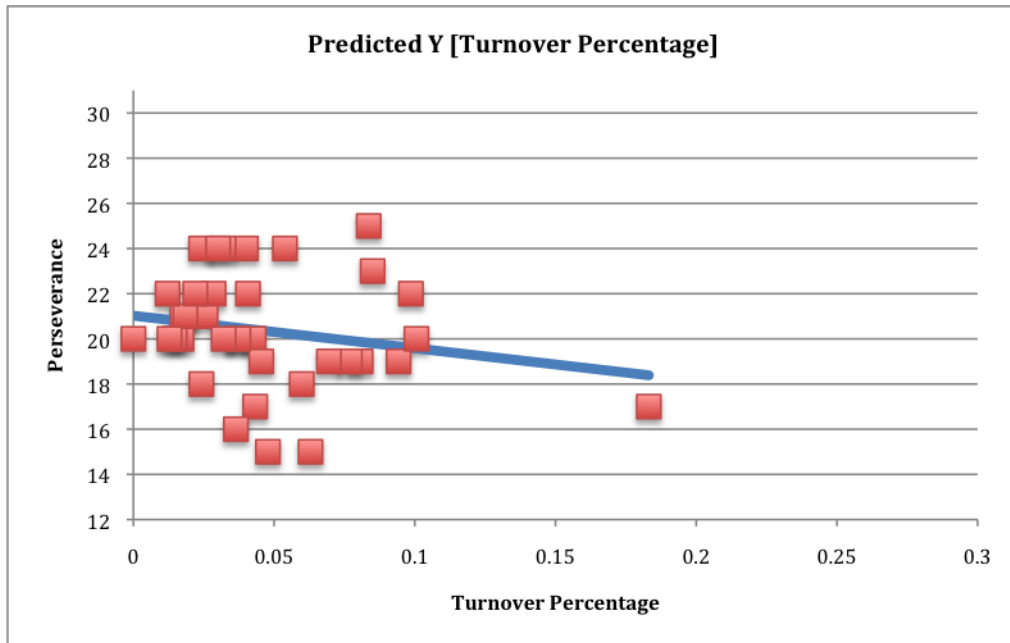


Figure 7: Scatter plot of perseverance and turnover percentage

The scatter plot in Figure 7 illustrates the line of best fit in blue and the data points in red. The congregation of points around the line of best fit suggests a marginal and not a linear effect.

4.8 Results pertaining to Proposition 5

In order to understand the impact of the middle manager's existential aloneness level on staff turnover, a regression analysis was conducted assessing the impact of existential aloneness on staff turnover.

H_0 : Existential aloneness has an impact on staff turnover

H_1 : Existential aloneness does not have an impact on staff turnover

$\alpha = 0.05$

Linear Regression					
<i>Regression Statistics</i>					
<i>R</i>	0.1609				
<i>R Square</i>	0.0259				
<i>Adjusted R Square</i>	-0.0028				
<i>Standard Error</i>	0.0355				
<i>Total Number Of Cases</i>	36				
Turnover Percentage = 0.0934 - 0.0022 * Existential Aloneness					
<i>ANOVA</i>					
	<i>d.f.</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p-level</i>
<i>Regression</i>	1.	0.0011	0.0011	0.9036	0.3485
<i>Residual</i>	34.	0.0428	0.0013		
<i>Total</i>	35.	0.0439			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>p-level</i>	
<i>Intercept</i>	0.0934	0.048	1.9451	0.0601	
<i>Existential Aloneness</i>	-0.0022	0.0023	-0.9506	0.3485	

Table 13: Regression of staff turnover and existential aloneness

The hypothesis test (see results in Table 13) indicates that existential aloneness has a very weak impact on staff turnover with $p = 0.3485$. The R-Squared value is 0.0259 revealing that perseverance causes a 2.59% variation on staff turnover percentage. Based on the data collected from this study we fail to reject H_1 : Existential aloneness does not have an impact on staff turnover. Therefore, there is insufficient data to suggest that existential aloneness has a significant impact on staff turnover.

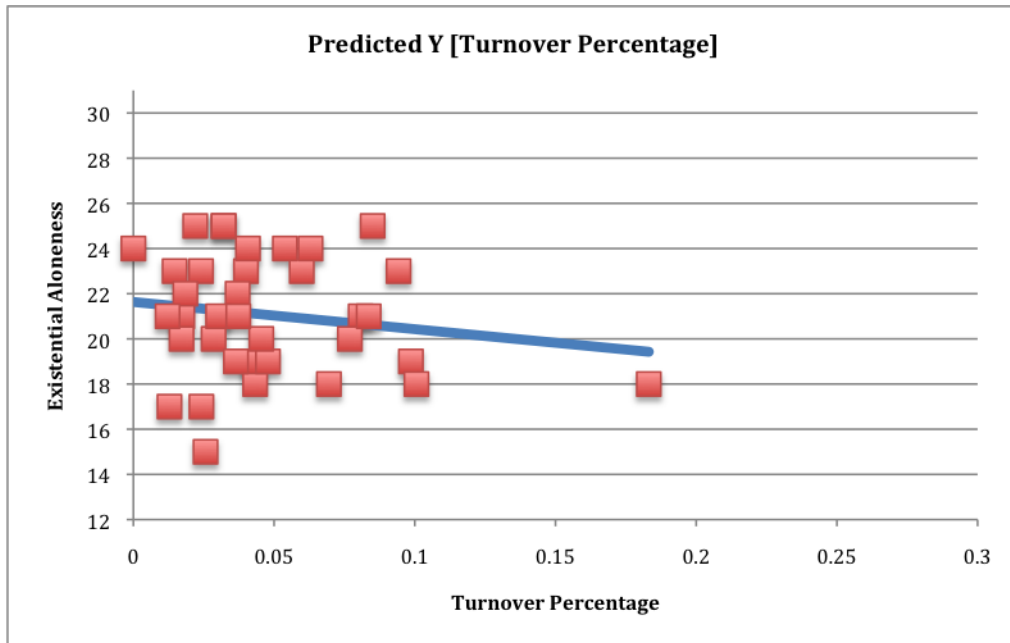


Figure 8: Scatter plot of existential aloneness and turnover percentage

The scatter plot in Figure 11 illustrates the line of best fit in blue and the data points in red. The congregation of points around the line of best fit suggests a marginal and not a linear effect.

4.9 Summary of the results

In summary, the data collected showed that the majority of RGMs scored moderate or high levels of resilience on the Resilience Scale. Restaurants in general showed high levels of staff turnover. The scores on the sub-components of resilience, self-reliance meaning, perseverance and existential aloneness did not have an impact on staff turnover percentages. Only meaning showed a slight impact on staff turnover percentage at $\alpha = 0.10$.

5 DISCUSSION OF THE RESULTS

5.1 Introduction

The following chapter discusses the implications, applications and interpretation of the results presented in the previous chapter. Firstly, the profile of the respondents will be analysed and then levels of staff turnover will be described. Finally, each proposition presented in the research report will be discussed.

5.2 Demographic profile of respondents

Although 96% of RGMs scored moderate to high levels of resilience, this is not significantly higher than the standard resilience scores obtained from previous research with this instrument (Wagnild 2009a). In order to become an RGM, individuals need to have proven themselves by working on the management team of the store for a minimum of 2 years. This period involves a transfer of the required technical and managerial skills expected of someone at this level. This transition is taught through a series of modules outlined by Yum! Brands called *Developing Champions*, as those going through the training are expected to understand and perfect the skills required to manage a KFC restaurant. Those who are unable to manage this change of responsibilities are kept on the management team, their strengths are used where appropriate, but they do not qualify for the position of RGM.

Considering the innate stresses of the fast food environment (Michailids and Elwakai 2003; Lee *et al* 2004) as well as those of the process to becoming a manager as described above, one would expect these individuals to display significantly higher resilience levels than those of the general population. This, however, was not found. It is interesting for the executive management team of the organisation to note that their RGMs have a resilience level that is in line but not above that of the general population.

5.3 Staff turnover data

As expressed by the Executive Committee (ExCo) of Roossenekal Foods, staff turnover is becoming a major concern for the business with figures reaching record highs and climbing every year. As discussed in the literature review, turnover is very expensive for companies (Lashley 2002) and can cause instability in the work environment (Thomas 2010). The data analysed on staff turnover showed the Highveld area as the major contributor to the company's overall high turnover figures. Because this data does not fall within the parameters of what is happening in the rest of the company, one can assume that there are extraneous variables unique to this region that are causing this unexpected phenomenon. Discussions with the ExCo about these results emphasised the following interesting facts:

- Alternative opportunities for employment:

Witbank is the energy centre of South Africa and its surrounding area hosts the largest coalfields, power stations and steel manufacturing facilities in Africa (Brand South Africa 2011). With experience working in an international franchise, KFC employees are able to find jobs in mines and factories in the area easily. In order to fully understand the extent of the truth of this comment, exit interviews would have to be conducted with all staff leaving the organisation and the issue of seeking alternative and more attractive employment opportunities would need to be addressed.

- Management styles:

The ExCo noted that managers in this area generally have very authoritative and dogmatic leadership styles. It was also alleged that these RGMs have very close personal relationships with certain members of their teams who they protect and treat with more respect than others. In order to better understand this dynamic, the leadership styles of these managers could be categorised and personal coaches

could be used to intervene if inappropriate management techniques are being utilised.

Further research into the exact reasons for the turnover in the Highveld area was conducted. Data from 251 of the 295 individuals whose positions were terminated was collated in Table 14 and revealed the following:

Termination Reason	Number of People	Percentage
Absconded	18	7.17%
Death	1	0.40%
Dismissal Incapacity	1	0.40%
Dismissal Misconduct	162	64.54%
Resignation	33	13.15%
Retirement	7	2.79%
Term of Contract	29	11.55%
TOTAL	251	100.00%

Table 14: Reasons for employee terminations in the Highveld area

From Table 14 it can be seen that 64.5% of employees terminated in the Highveld region in the past year were dismissed for misconduct. This is not in line with the reasoning presented by the ExCo. In order to understand this phenomenon, a full study of company policies and procedures would need to be conducted and exact incidences of misconduct delineated. The recruitment process also needs to be analysed. RGMs hire their own team members and in this area it seems that untrustworthy people or individuals who are unable to comply with the highly procedure-driven KFC environment are being brought onto teams. RGMs in this area may need to be trained and given more intensive recruitment tools in order to curb this expensive turnover trend.

5.4 Discussion pertaining to Proposition 1

Previous research has shown a significant relationship between resilience and staff retention (Avey *et al* 2009; Luthans and Lester 2006; Luthans *et al* 2004). Research has also shown self-reliance as an important construct of resilience

(Wagnild 2009a; Reivich and Shatte 2003; Caplan 1990; Druss and Douglas 1988; Richmond and Beardslee 1988). The purpose of this research was to determine whether this relationship extended to show levels of self-reliance within middle management as having an impact on team turnover. A regression analysis of Proposition 1 showed self-reliance levels of manager to have an insignificant impact on the staff turnover percentage of their teams.

5.5 Discussion pertaining to Proposition 2

Previous research has shown a significant relationship between resilience and staff retention (Avey *et al* 2009; Luthans and Lester 2006; Luthans *et al* 2004). Research has also shown meaning as an important construct of resilience (Wagnild 2009a; Keyes and Lopez 2005; Ryff and Singer 2004; Caplan 1990; Rutter 1985; Bettelheim 1979). The purpose of this research was to determine whether this relationship extended to show levels of management meaning as having an impact on team turnover. A regression analysis of Proposition 2 showed meaning levels of managers to have an insignificant impact on the staff turnover percentage of their teams.

In this case, if the level of significance were increased to $\alpha = 0.1$ or 10% we would accept H_1 : There is a correlation between staff turnover and equanimity. The level of significance is defined as “the likelihood of rejecting the null hypothesis when, in fact, it is true” (Wegner 2007 page 263). In this case, because the consequences are not life threatening, one could increase the level of significance and conclude that there is evidence to suggest that meaning has a slight impact on staff turnover percentage.

5.6 Discussion pertaining to Proposition 3

Previous research has shown a significant relationship between resilience and staff retention (Avey *et al* 2009; Luthans and Lester 2006; Luthans *et al* 2004). Research has also shown equanimity as an important construct of resilience (Wagnild 2009a; Reivich and Shatter 2003; Beardslee 1989; Kadner 1989). The purpose of this research was to determine whether this relationship extended to

show levels of management equanimity as having an impact on team turnover. A regression analysis of Proposition 3 showed equanimity levels of managers to have an insignificant impact on the staff turnover percentage of their teams.

5.7 Discussion pertaining to Proposition 4

Previous research has shown a significant relationship between resilience and staff retention (Avey *et al* 2009; Luthans and Lester 2006; Luthans *et al* 2004). Research has also shown perseverance as an important construct of resilience (Wagnild 2009a; Barrett 2004; Caplan 1990; Druss and Douglas 1988). The purpose of this research was to determine if this relationship extended to show levels of management perseverance as having an impact on team turnover. A regression analysis of Proposition 4 showed the perseverance levels of managers to have an insignificant impact on the staff turnover percentage of their teams.

5.8 Discussion pertaining to Proposition 5

Previous research has shown a significant relationship between resilience and staff retention (Avey *et al* 2009; Luthans and Lester 2006; Luthans *et al* 2004). Research has also shown existential aloneness as an important construct of resilience (Wagnild 2009a; Seligman 1995; Frankl 1985). The purpose of this research was to determine if this relationship extended to show levels of management existential aloneness as having an impact on team turnover. A regression analysis of Proposition 5 showed the existential aloneness levels of managers to have an insignificant impact on the staff turnover percentage of their teams.

5.9 Conclusion

In conclusion, the data showed that although the majority of RGMs scored moderate or high levels of resilience on the Resilience Scale, this was not significantly higher than the population mean – this would have been expected considering the stressful work environment and rigorous management training

programme through which RGMs have to go through in order to take on their positions. Restaurants in general showed high levels of staff turnover with the majority of this taking place in the Highveld area. This was found to be as a result of a large amount of dismissals as a result of misconduct. The recruitment process in this area needs to be investigated to ensure that trustworthy employees who will comply with processes and procedures are brought into the organisation.

The scores of the sub-components of resilience, self-reliance, meaning, perseverance and existential aloneness, were not shown to have an impact of staff turnover percentages. This could be because the relationship between resilience and staff turnover does not extend to management resilience on team turnover; or because the sample used in this study was not large enough to produce significant results. The sample may also be homogenous as the franchisee recruits a certain profile of person based on their specified business needs.

A weak relationship between meaning and staff turnover percentage was detected when a significance level of 10% was adopted. This suggests that out of all the constructs of resilience, an RGM's ability to create meaning from stressful circumstances is one skill that may be relevant in retaining team members.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The results of this research were presented in Chapter 4 and discussed in Chapter 5. The following chapter will look at how the results of this study relate to the intentions as described in the context of the study. Recommendations that have arisen as a result of this research for the Roossenekal Foods business as a whole will be discussed and areas for future research in this field will be identified.

6.2 Conclusions of the study

It is vital for organisations who want to survive in the 21st Century to be able to adapt to change and respond positively to the stressful business environment of today (Isdell 2008). Hamel and Välikangas (2003) explain that an organisation can only be as resilient as the individuals in it. Considering the importance of the resilience in today's business environment, Roossenekal Foods needs to invest resources into improving the resilience of its management team. This would not only keep them ahead of their competitors as a major player in the South African fast food industry, but is essential in helping managers cope with the stressful and demanding environment of a restaurant (Michailids and Elwakai 2003; Lee *et al* 2004) and their specific function with it (Hayes 2008; Balogun 2003; Thompson *et al* 2008).

The company is experiencing very high levels of turnover in most stores and particularly in the Highveld region. This is extremely costly to the company (Lashley 2000 as cited in Lashley 2002). This also has a major effect on the morale and stability for the workforce as a whole (Thomas 2010). Such added pressure in an already high stressed work environment (Michailids and Elwakai 2003; Lee *et al* 2004) seriously reduces the quality of life of employees.

The results of the regression analyses suggests that if training were to be implemented in order to curb staff turnover, the programme should focus on

increasing the manager's ability to create meaning from experiences. Resilience training is becoming a popular tool that is being used in organisations to improve the quality of life of employees who have to deal with increasing levels of stress and uncertainty (Beningfield 2006; Cornum, Matthews and Seligman 2011).

6.3 Recommendations

In order to establish Roossenekal Foods as a world-class competitor in the fast food industry in South Africa, the resilience of its management team needs to be improved. Resilience training programmes need to be introduced and should show several benefits. Firstly, the overall psychological well-being of managers will improve as they are better able to deal with the challenges of their work environment and job description. This should cause RGMs to be better able to perform in their roles and ultimately improve the bottom line by increasing performance and reducing turnover.

The increasingly high levels of turnover being experienced at Roossenekal Foods need to be addressed by the ExCo, Area Coaches and RGMs. Although significant statistical evidence did not show management resilience to be an important contributor to team turnover, the company needs to investigate this phenomenon further. The phenomenon occurring in the Highveld area in particular needs to be fully understood in order to implement strategies to reduce staff turnover in that region. Further details of reasons for termination due to misconduct need to be explored and the recruitment process in this area needs to be studied.

In order to fully understand the effects of turnover on the business, an analysis of the cost of turnover to the business needs to be conducted. This should include the direct and indirect costs as delineated by Lashley (2000 as cited in Lashley 2002). There also seems to be a lack of ownership with regard to levels of staff turnover – while RGMs recruit, hire and manage teams, turnover figures are one of many on company Balanced Scorecards on which managers are

performance managed. In order to draw attention to this trend, RGMs may need separate incentives focused on this area of their business.

Area coaches need to be aware of resilience when selecting RGMs for their stores. Questions from the Resilience Scale can be introduced into interviews conducted in the selection process. This simple and cost effective step will highlight the candidate's ability to survive and excel in the demanding environment in which they will be expected to work.

RGMs themselves need to understand the role of resilience in creating a successful environment in the restaurants that they manage. Resilience training for this group, focusing specifically on equanimity and meaning should improve the work environment for the RGMs themselves as well as reduce turnover of team members. This will improve the work environment for all parties employed in the restaurant.

6.4 Suggestions for further research

One of the major limitations of this study and a possible reason for the insignificant results is the small and potential homogenous nature of the sample. In order to fully investigate the relationship between management resilience and staff turnover the study would need to be replicated using a bigger sample size over a range of companies. This research focused on numeric data – a more in-depth analysis of qualitative data on the topic would highlight many nuances and subtleties that quantitative research could not capture. The study also makes use of a definition of resilience based on Western philosophy – a model based on African principles and culture needs to be developed in order to understand resilience in this specific context.

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Appendix A: The Resilience Scale

Please read each statement and circle the number to the right of each statement that best indicates your feeling about the statement. Respond to all statements.

Circle the number in the appropriate column.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	When I make plans I follow through with them.	1	2	3	4	5
2	I usually manage one way or another.	1	2	3	4	5
3	I am able to depend on myself more than anyone else.	1	2	3	4	5
4	Keeping interested in things is important to me.	1	2	3	4	5
5	I can be on my own if I have to.	1	2	3	4	5
6	I feel proud that I have accomplished things in life.	1	2	3	4	5
7	I usually take things in my stride.	1	2	3	4	5
8	I am friends with myself.	1	2	3	4	5
9	I feel that I can handle many things at a time.	1	2	3	4	5
10	I am determined.	1	2	3	4	5
11	I seldom wonder what the point of it all is.	1	2	3	4	5
12	I take things one day at a time.	1	2	3	4	5
13	I can get through difficult times because I have experienced difficulty before.	1	2	3	4	5
14	I have self-discipline.	1	2	3	4	5
15	I keep interested in things.	1	2	3	4	5
16	I can usually find something to laugh about.	1	2	3	4	5
17	My belief in myself gets me through hard times.	1	2	3	4	5
18	In an emergency I'm someone people can generally rely on.	1	2	3	4	5
19	I can usually look at a situation in a number of ways.	1	2	3	4	5
20	Sometimes I make myself do things whether I want to or not.	1	2	3	4	5
21	My life has meaning.	1	2	3	4	5
22	I do not dwell on things I can't do anything about.	1	2	3	4	5
23	When I'm in a difficult situation I can usually find my way out of it.	1	2	3	4	5
24	I have enough energy to do what I have to do.	1	2	3	4	5
25	It's okay if there are people who didn't like me.	1	2	3	4	5

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Appendix B: Consistency Matrix

Propositions	Literature Review	Source of Data	Type of Data	Analysis
Middle management's self-reliance level has an impact on staff turnover	Caplan (1990)	Questions 2, 9, 13, 18 and 23 from the Resilience Scale and staff turnover from the Balance Scorecard	Quantitative	Regression analysis
	Druss and Douglas (1988)			
	Reivich and Shatte (2003)			
	Richmond and Beardslee (1988)			
	Wagnild (2009)			
Middle management's meaning level has an impact on staff turnover	Bettelheim (1979)	Questions 4, 6, 11, 15 and 21 from the Resilience Scale and staff turnover from the Balance Scorecard		
	Caplan (1990)			
	Keyes and Lopez (2005)			
	Rutter (1985)			
	Ryff and Singer (2004)			
	Wagnild (2009)			
Middle management's equanimity level has an impact on staff turnover	Bearslee (1989)	Questions 7, 12, 16, 19 and 22 from the Resilience Scale and staff turnover from the Balance Scorecard		
	Kadner (1989)			
	Reivich and Shatter (2003)			
	Wagnild (2009)			
Middle management's perseverance level has an impact on staff turnover	Barrett (2004)	Questions 1, 10, 14, 20 and 24 from the Resilience Scale and staff turnover from the Balance Scorecard		
	Caplan (1990)			
	Druss and Douglas (1988)			
	Wagnild (2009)			
Middle management's existential aloneness level has an impact on staff turnover	Frankl (1985)	Questions 3, 5, 8, 17 and 25 from the Resilience Scale and staff turnover from the Balance Scorecard		
	Seligman (1995)			
	Wagnild (2009)			