

**AN EXPLORATION INTO THE REASONS FOR THE RESIGNATION OF EX-
EMPLOYEES FROM THE UNIVERSITY OF PORT ELIZABETH AGAINST
INTERNATIONAL INDICATORS IN EMPLOYEE RETENTION**

by

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SUMMARY

South African organisations have not been left untouched by the impact of globalisation on their business practices. In a bid to maintain and improve on their competitive advantage, they have had to embark on initiatives to secure a place in the global economy. Entwined herein is the challenge to embrace a whole new definition of equality and develop their human capital as described in various legislative interventions of the South African Government.

This study reflects the outcomes of an exploratory study into the reasons for the resignation of ex-employees from the University of Port Elizabeth, against international indicators in employee retention.

The research was based on the premise that an effective and efficient transformation strategy should originate from a tangible understanding of all the socio-behavioural and influencing aspects of employee retention.

The results suggest the development of an employee-retention strategy which could facilitate the realisation of the Employment Equity Plan.

The objectives of the study were:

- ❑ To provide critical insight into why employees are resigning from the University of Port Elizabeth (UPE)
- ❑ To determine the social and developmental expectations of ex-UPE employees while in a transforming organisation
- ❑ To identify and analyse ex-employees' perceptions of the implementation of UPE's Employment Equity Plan
- ❑ To analyse ex-employees' perceptions of existing retention practices at UPE
- ❑ To provide recommendations towards an employee-retention strategy for UPE

The study is exploratory and descriptive in nature, and is quantitatively analysed with limited qualitative inferences.

The population consisted of ex-UPE employees who had left the service of the university, from 01 January 2000 to 31 October 2002, by resignation. The period coincided with the implementation phase of the UPE Employment Equity Plan. For the purpose of this study, N=69. Twenty-eight ex-employees were untraceable,

therefore n=41. Thirty ex-employees took part in the survey, thus making the sample return 73%. Eight of the respondents were dispersed across three continents other than Africa.

The survey instrument, administered as an e-mailed and mailed questionnaire, was selected as the most suitable quantitative research method, because respondents were globally dispersed. Content analysis was selected as the most appropriate technique to produce findings in the qualitative aspect of the research.

Where appropriate, descriptive statistics (univariate and bivariate analyses) were applied to describe the variables, the results of which were exhibited as tabular or graphical displays. Inferential statistical analyses (Pearson Chi-square and M-L Chi-square tests) were also conducted.

Limitations of the study

- The data-gathering process was not standardised - some respondents did not respond to the questionnaire using the same communication method in which it was given to them.
- The results could not claim generalisability to other tertiary institutions in the region or country.
- The effect of the forthcoming incorporation of Vista University, and the merger with PE Technikon were 'implied' in the questionnaire and 'not direct', and their impact on resignation was thus inconclusive.
- The size of the sample did not support the inferential statistical analysis conducted.

The most significant findings are:

- 1 Biographical Data
 - 1.1 Whites tendered more resignations than blacks
 - 1.2 Females tendered more resignations than males
 - 1.3 Non-academics tendered more resignations than academics
 - 1.4 The highest number of resignations were tendered by white females in academic positions
 - 1.5 93% of employees who resigned were between the ages of 26-45 years;

(48% were 26-35 years old; 45% were 36-45 years old)

- 1.6 Length of tenure: 42% had been employed at UPE for 0-4 years, and 48% for 5-10 years
- 2. Retention Issues
 - 2.1 Fairly satisfied with work environment
 - 2.2 Neither satisfied nor dissatisfied with supervisors/managers
 - 2.3 Undefined career paths (76%)
 - 2.4 Dissatisfied with salary packages (62%)
 - 2.5 Satisfied with benefits packages (68%)
 - 2.6 Relationships with co-workers most positive feature of working at UPE
 - 2.7 Occupational developmental opportunities most negative feature of working at UPE
 - 2.8 Neither satisfied nor dissatisfied with the implementation of UPE's Employment Equity Plan - however, degree of dissatisfaction higher than degree of satisfaction
 - 2.9 Rating of content of exit questionnaire: 43% poor; 28,5% satisfactory; 28,5% good
 - 2.10 Rating of exit interviews: 40% poor; 30% satisfactory; 30% good
 - 2.11 Rating of departure process: 65% poor; 25% satisfactory; 10% good
 - 2.12 Summary of the MAIN REASONS why certain groups resigned from UPE:

Who resigned?	Why?
Females	For a better career opportunity
Males	For better pay
Whites	For a better career opportunity
Blacks	Because of a lack of promotional opportunities For better benefits
Academics	For a better career opportunity
Non-academics	Because of a lack of promotional opportunities Because of the supervision by their supervisors/managers

Conclusions which can be drawn are:

- The highest number of resignations were from ex-employees from designated groups, particularly white females in academic positions.
Result: negative effect on attainment of employment equity and research-capacity-building objectives
- The age at resignation of the majority of the ex-employees demonstrated that they had an understanding of the position of their career timetables, and the self-actualisation of needs that had not been met in UPE's employ
- The length of tenure of the majority of these ex-employees suggested that the recruitment of this age group is a risk to UPE, and costly in terms of a loss of knowledge
- While some commonalities did occur, the factors that played a significant role in employee retention had a different value for various groups at UPE
- The findings confirmed some reasons that are well known in the employee-retention market

Recommendations which can be made are:

3.1 For application

3.1.1 Convert the recruitment and selection function to a recruitment, selection AND retention function, for implementation by all supervisors and managers.

3.1.2 Implement a performance management system as a matter of urgency.

3.1.3 Improve on monitoring the current mentoring system, especially for academics.

3.1.4 Devise concrete succession planning and career paths with employees.

3.1.5 Implement measures that facilitate the realisation of employment equity objectives, namely:

3.1.5.1 Include all aspects of attaining employment equity objectives in managers' performance appraisal

3.1.5.2 Constantly measure employees' perceptions about employment equity issues

3.1.5.3 Develop methods to retain valuable employees

3.1.5.4 Develop mechanisms to link employees' goals to the objectives of UPE.

3.1.6 Implement measures that encourage the development of a corporate culture with which all employees can identify.

3.1.7 Evaluate employment entry and exit processes.

- 3.1.8 Modify the current exit questionnaire.
- 3.1.9 Automate the exit questionnaire to promote accessibility and analysis in real-time.
- 3.1.10 Evaluate the time taken for the administration of human resource functions related to resignation.

- 3.2 For future research
 - 3.2.1 Use this research as a building block on which to add data obtained from ex-employees who have resigned from 01 November 2002. Such a study will result in a larger sample, to which inferential statistical analysis techniques can be applied to reveal trends that could be beneficial to strategic policy development.
 - 3.2.2 Modify the questionnaire and give it to random samples drawn from existing employees. Establish if a correlation exists between the perceptions of existing employees and ex-employees.
 - 3.2.3 Use these findings to identify causal factors that could result in existing employees ending their tenure with the university.
 - 3.2.4 These findings will become the catalyst to the pro-active management of UPE's human capital, and the strongest link in a recruitment and retention strategy.

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SECTION A
CONTEXTUAL INTRODUCTION AND LITERATURE
STUDY

Chapter 1

RESEARCH DESIGN

*'Nothing is as unequal as the equal treatment of non-equals'.
(Kirsten, 2001)¹*

1.1 INTRODUCTION

Employee-retention strategies are an integral component of employment practices during this legislatively vigilant and technologically-driven catalytic period of the 21st century that we are living in.

Various forces have resulted in the illumination of this previously hidden and sometimes non-existent aspect of human resources in South African organisations, namely:

- The 'need for speed' in service and product delivery in the global economy
- The rapid growth in the value of human capital and
- Legislative employment interventions by the South African Government

It has become imperative for organisations to develop employee-retention strategies in order to ensure the maximum utilisation and development of their human capital in a globally competitive economy. In South Africa, these endeavours have collided head-on with legislative interventions by the government to redress patent imbalances faced by people from designated groups namely, black persons, women, and people with a disability. Some of these legislative interventions include the South African Constitution, the Occupational Health and Safety Act, No.85 of 1993, the Labour Relations Act, No.66 of 1995, the South African Qualifications Authority Act, No.58 of 1995 the basic conditions of the Employment Act, No.75 of 1997, the Employment Equity Act No.55 of 1998, the Skills Development Act, No.97 of 1998 and the Skills Development Levies Act, No.9 of 1999 which ensured opportunities for the advancement of these groups.²

¹ Prof J Kirsten, Vice Chancellor, UPE

² Grobler, PA *et al.* 2002.

Organisations were obliged to deliver on their constitutional mandate, and policies and programmes were developed to promote equality, diversity and the elimination of unfair discrimination. Fundamental causes of discrimination were identified through consultation with various stakeholders in organisations, and employment equity plans were developed as generic tools to illustrate the organisations' commitment to correcting past imbalances.

However, the Department of Labour (DoL) reports that, despite these interventions, many organisations are far from achieving employment equity objectives while simultaneously embracing the development and potential of their employees³.

The practice of enchainning the retention of employees with the implementation of an organisation's Employment Equity Plan has become a major task for organisations in South Africa. Eradicating discriminatory policies and practices means that opportunities in the workplace must become independent of one's race, gender or disability. It would ultimately provide all employees with equal conditions in which to understand their human rights and develop their individual potential. Employees will then perceive equity in the organisation and be able to contribute equally to the national, political, economic, social and cultural development of South Africa and benefit equally from the results. The creation of such an equitable environment is the building block for a prolific employment environment and will significantly contribute to the organisation's global competitiveness and the employees' tenure with an organisation.

1.2 PROBLEM STATEMENT

A three-year (2000-2002) Employment Equity Plan was developed at the University of Port Elizabeth (UPE) in essence to:

- Remove employment barriers relating to gender, race and disability and
- Provide for equitable representation of people from designated groups in academic and non-academic positions. ⁴

In the 2000 and 2001 Employment Equity Reports to the Department of Labour (2002 is not available yet), UPE indicated that the numerical goals and

³ <http://www.labour.gov.za>, 2001

⁴ Employment Equity at the University of Port Elizabeth incorporating the Employment Equity Plan. 1999.

affirmative action objectives that were set out in the plan had not been achieved⁵. In the report, the university's *inability to retain equity staff* was cited as one of the barriers to the achievement of the plan. The lack of affirmative action measures in the *employee-retention category* was also reported. The plan expires at the end of 2002 and a decision will have to be taken as to whether the existing, an amended, or a new plan should be developed. The purpose of this study is to determine why employees are resigning from UPE. This information will direct the development of an employee-retention strategy that can assist UPE to retain staff and facilitate the realisation of its Employment Equity Plan.

This research is based on the premise that an effective and efficient transformation strategy should originate from a tangible understanding of all the socio-behavioural and influencing aspects of employee retention. The research design is quantitative and qualitative in nature.

1.3 FOCUS OF THE STUDY

The development of employee retention strategies is a global phenomenon engraved in most international employment legislation and practices, and is an integral feature of human capital management. In South Africa, the realisation of its value-adding capacity to various organisational issues is undeveloped, especially in tertiary institutions, hence the selection of ex-employees of a tertiary institution as the research population.

This study focuses on determining what the impetus and influencing aspects of employee retention are in a transforming organisation.

1.4 THEORETICAL CONCEPTUALISATION OF THE RESEARCH PROBLEM

Employee retention has previously been rather limited in human resources practices in tertiary institutions. The recent dictation by technology on how work is done has highlighted the importance of developing strategies to retain indispensable employees. Entwined in the transformation of work are the legislative obligations of employers to ensure adequate representation of people from designated groups in various positions. This pressure has illuminated the

⁵ UPE Employment Equity Reports to DoL. 2000 and 2001.

need to embark on employee retention initiatives to realise economic and legislative objectives.

A symbolic interactionist perspective⁶ would view staff retention in relation to staff behaviour. Cognisance is taken of the influence of factors like the work environment, relationships with direct supervisors/managers, training and development, remuneration and benefits, the socio-cultural environment and legislation on the behaviour of employees, in this case, their resignation. It is important to examine these factors in order to understand causal factors that could result in employees resigning, and ultimately develop a sound employee-retention strategy. It is proposed that staff retention needs to be viewed from a socio-behavioural perspective in order to acquire a sound understanding of the interactivity that exists between causal factors and employees who terminate their services with an organisation. This study aims to contribute towards an enriched understanding of the socio-behavioural impetus that influences staff retention, thereby contributing to the development of effective staff-retention interventions in a tertiary institution.

1.5 OBJECTIVES OF THE STUDY

The objectives of this research are depicted in Table 1.

Table 1: Objectives of the research

Objective 1	To provide critical insight into why employees are resigning from UPE
Objective 2	To determine the social and developmental expectations of ex- UPE employees while in a transforming organisation
Objective 3	To identify and analyse ex-employees' perceptions of the implementation of UPE's Employment Equity Plan
Objective 4	To analyse ex-employees' perceptions of existing retention practices at UPE
Objective 5	To provide recommendations towards the development of an employee-retention strategy for UPE

⁶ Bryjak, GJ *et al.* 1994

1.6 STRUCTURE OF THE REPORT

This report consists of seven chapters, which have been subdivided into three sections: Section A (Chapter 1 to Chapter 3) introduces the study and comprises the theoretical analysis and theory development part of the study; Section B (Chapter 4 to Chapter 6) deals with the empirical part of the study; Section C (Chapter 7) briefly concludes the research.

1.6.1 SECTION A: CONTEXTUAL INTRODUCTION AND LITERATURE STUDY

Chapter 1 provides a synopsis of the research problem, as well as the objectives that the study intends to accomplish.

Chapter 2 defines human capital development and its implications for organisational practices.

Chapter 3 expounds on factors that could influence the retention of staff, through an analysis against international indicators.

1.6.2 SECTION B: QUANTITATIVE AND QUALITATIVE ANALYSIS

Chapter 4 provides a comprehensive overview of the research strategy and methodology that was adopted for the empirical investigation of determining why employees are resigning from UPE.

Chapter 5 presents the findings of the research. The findings are conceptualised in terms of the best practices expounded on in Chapter 3. The theoretical background provided by Chapters 2 and 3 enlightens and enriches the interpretation of the findings. The process of linking the findings to literature also serves to contribute to the further development and refinement of the recommendations for future research which will be made.

Chapter 6 summarises the findings according to the objectives of the research. Recommendations for an employee retention strategy are also provided.

1.6.3 SECTION C: CONCLUSION

Chapter 7 briefly proposes recommendations for future research.

CHAPTER 2

HUMAN CAPITAL DEVELOPMENT

*'A merchant had three servants and eight talents (silver coins) to distribute among them. He gave five talents to one servant and two talents to another servant. To the last servant he gave only one talent. The first two servants invested their money and doubled it, but the third servant buried his in the ground, where it gained no value. When the master returned he praised his first two servants, and chastised the third.'*⁷

*'So take the talent from him, and give it to the one with the ten talents. For to all those who have, more will be given, and they will have abundance; but from those who have nothing, even what they have will be taken away. As for this worthless slave, throw him into the outer darkness, where there will be weeping and gnashing of teeth.'*⁸

2.1 INTRODUCTION

According to Friedman (1998), the idea of human capital is not novel and can be traced to the eternal parable of the talents told in the Judeo-Christian literature, which is quoted above. This parable illustrates that people become more valuable when we invest in them, which is usually supported by a quantifiable return on investment (RoI). People should therefore work in an environment that utilises their talents, instead of one which encourages stockpiling and stagnation. The term 'human capital' denotes that people (employees) are valuable commodities that need to be developed. In this designation, it is completely inappropriate to imply that people are a dispensable resource to be consumed and discarded on impulse. In the corporate environment, there has been an evolution of viewing people as a resource (a means of supplying what is needed or a stock that can be drawn on) to viewing them as capital (a net worth). This chapter gives an overview of human capital development and management, and the role that an understanding thereof can play in attracting, developing and retaining staff.

⁷ Friedman, B *et al* (1998:3)

⁸ Holy Bible. New Revised Standard Version. Matthew 25:28-30

2.2 THE ORIGIN OF THE CONCEPT 'HUMAN CAPITAL'

Karl Marx made reference to human capital in 1867 in his book, *Das Kapital*. He argued 'that labor was the source of all value and that investments made in land and technology only transferred value, but did not add value'⁹. This principle of Karl Marx was declared during the dominance of capitalism, which viewed employees as dispensable and transposable. It was during this period that the idea of human resources was born. It is indeed ironic that the communist economic system proposed by Marx was, according to Friedman (1998), the cause of the devastation of human creativity in the 19th century. The recognition of the indispensable value of human capital was restored, though not effectively practised, by capitalism. Over a century later, this notion of human capital has arrived *en bloc* and can, if managed effectively, add value to an organisation and become the benchmark for determining global competitiveness, and can promote the retention of valuable staff.

2.3 THE DEFINITION OF HUMAN CAPITAL

According to Friedman (1998: 4) 'human (from the Latin *hominem*, for man) means of or relating to people'. It is an indication of our biological genus, which implies that to be human means to be a person and not an animal or a mechanical device. 'Capital (from the Latin *caput*, for head) simply means first, biggest or best. In modern accounting, it means net worth – the remaining assets of a business after all liabilities have been deducted' (Friedman, 1998:4). Hudson (1993) in Brewster (2000:140) describes human capital as 'a combination of genetic inheritance, education, experience and attitudes about life and business'.

2.4 WHY ARE PEOPLE MORE VALUABLE THAN EVER?

Friedman (1998) states that a new challenge is attracting the attention and driving the efforts of business managers internationally. This is the goal of employing, motivating and retaining the most valuable employees at every level of occupational category in an organisation, with no regard for geographical boundaries in order to realise strategic objectives. Managers are beginning to recognise the difference between human resources (which entails only drawing

⁹ Friedman, B *et al.* 1998:6

from an available labour pool), and human capital (which entails the transformation of people into marketplace power through strategy-driven programmes).

Any organisation, whether in the process of responding to change, recovering from a crisis, or merely trying to remain globally competitive, needs to focus on the most important wealth of its organisation, namely its human capital.

2.4.1 THE NATURE OF WORK IN THE 21ST CENTURY

The nature of work is analogous to the development of technology, particularly information technology. The need to provide information in real-time to remain globally competitive has changed the way work is done, and has deeply influenced organisational structure and culture. Organisations are assuming flatter structures, and many are eliminating jobs to cut costs. People are being substituted by technology resulting in the birth of virtual organisations. This leads to the most significant paradox in business today, namely 'if you can do much more with fewer people, then the people who are left are much more valuable to you' Gubman, (1998: 169).

2.4.2 THE CHANGING PSYCHOLOGICAL CONTRACT

The paradigm of cradle-to-grave employment, staying in one job for life, has changed as the evolving world of work impacts on the psychological contract that exists between employer and employee. (A psychological contract is the set of unwritten mutual expectations that exist between individual employees and their employers). Employees would prefer a job that provides them with opportunities to develop their potential, autonomy, imagination, tolerance and responsibility. Employees may also realise that employers are not committed to them, and this perception makes them find it easier, both practically and psychologically, to move from one organisation to another. In addition, some employers, although retaining core workers, are outsourcing certain business functions to highly skilled workers in outside organisations, undermining employee loyalty, and sometimes resulting in workers moving out. These frequent and often unexpected moves by employees create an environment that negatively impacts on an organisation's operations and human resource departments.

2.4.3 COST IMPLICATIONS

According to Fields (2001:85), labour turnover can be defined as 'the flow of people in and out of active employment'. Labour turnover can have positive and negative effects on an organisation. Positive turnover, also known as functional turnover, could energise a stagnating organisation. Negative turnover, also known as dysfunctional turnover, could create an unbalanced workforce and increase costs and organisational inefficiency (Grobler, 2002). Costs increase tremendously when an organisation has a high staff turnover, but the costs go way beyond the immediate fiscal ones. Turnover costs include costs coupled with the person leaving, and those related to recruiting and orienting the new employee. Time will have to be spent training a new incumbent, which translates into a loss of business momentum, and with the rapid speed of competition today it could negatively affect an organisation's financial well-being¹⁰. According to Fields (2001) other hidden costs include lost business due to insufficient staffing levels, a decrease in morale and productivity and a negative impact on customer service. It is not easy determining what the true cost of turnover is to the bottom line. Therefore, it is imperative for organisations to develop mechanisms which could assist them in retaining the right staff. Such a practice will translate in a positive way to the bottom line. Fields (2001) also recommends that employers need to understand their demographic profiles, the turnover rates and the reasons behind turnover in order to forecast the labour market for the future. Labour forecasting will assist an organisation in determining what the 'slow and fast growth jobs are and in what parts of the country and the world these jobs will be located' (Fields, 2001:92), thus taking charge of turnover and its possible impact on the organisation.

Recruiting and employing the right people is costly, time consuming and difficult which makes retaining them critical, and probably one of the most vital issues facing organisations today¹¹.

2.4.4 INTELLECTUAL CAPITAL AS A COMPONENT OF HUMAN CAPITAL

Brewster (2000) suggests that the advent of knowledge as an intangible asset can play a significant role in assisting an organisation to obtain a sustainable

¹⁰ <http://www3.hr.com/Hrcom/index.cfm/124/B393C966-3D7D-11D4-8DE8009027E0248F?ost=feature>

¹¹ <http://ehostvgw8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=14boolean>

competitive advantage. Employees, who are the owners of this knowledge, should be treated as important assets and not merely as dispensable commodities (Friedman, 1998). Employees possess different kinds of knowledge, the most common of which is tacit knowledge, which includes their mindsets, assumptions, biases, values and beliefs. According to Stewart (1997) in Brewster (2000: 141), people generate capital for their organisation through their:

- competence (skills and knowledge)
- attitude (the behaviour component of employees' work) and
- intellectual agility (the ability to innovate and change practices, to think laterally, and propose new and innovative solutions to problems).

The longer an employee stays with the organisation, the more the employee expands his or her knowledge of the 'bits and bobs' that are functional to the organisation. When this knowledge is converted into a valuable entity, it is known as intellectual capital (Brewster, 2000). Intellectual capital appreciates (increases in value) instead of depreciating like some organisational assets. For a number of years, the employer and employee enjoy a mutual relationship; however, the possibility of that employee being recruited by a rival organisation is a greater reality today and employees now enjoy a sound economic value.

2.4.5 GLOBALISATION

The draft White Paper on Education refers to globalisation as 'multiple, inter-related changes in social, cultural and economic relations, linked to the widespread impact of the information and communications revolution, the growth of trans-national scholarly and scientific networks, the accelerating integration of the world economy and intense competition among nations for markets'¹², Jung (2001) suggests that the concept of local has assumed a global definition due to technology eliminating the previous geographical boundaries within which business was practised. 'Globalisation'¹³ thus means that the world has become the market place from which organisations can purchase products, services and owners of talents and skills. The knowledge economy depends on intelligence that is possessed by employees who have become more astute in critically evaluating where they work and the conditions under which they work.

¹² <http://www.saga.org.za/publications/white-papers/highed.html>: page 2

¹³ Frost, T. 2001

Globalisation also brings it about that our finest and most excellent workers will be targeted for use abroad, as indeed they already are. Employees in fact occupy a powerful position in the economy, and consequently organisations will have to develop strategies to engage this power.

2.5 LEGISLATIVE INTERVENTIONS IN SOUTH AFRICA THAT PROMOTE THE DEVELOPMENT OF HUMAN CAPITAL

South Africa has a legacy of discrimination with regard to race, gender and disability that has denied access to opportunities for education, employment, promotion and wealth creation to the majority of South Africans. The Employment Equity Act, No. 55 of 1998, the Skills Development Act, No. 97 of 1998, and the Skills Development Levies Act, No.9 of 1999, are all enabling mechanisms that were created to address this legacy. These Acts are opening the doors for employees by removing discriminatory barriers of the past and giving access to training, new opportunities and promotion. If correctly implemented, they will provide employers with a more productive workforce who are better trained and more motivated, which will in turn make organisations more efficient and globally competitive.

2.5.1 EMPLOYMENT EQUITY

Employment equity is an organisational practice coupled with legislative support to eradicate workplace discrimination. It refers to an even-handed and fair execution of employment policies and practices in the workplace, particularly with regard to people from designated groups, namely women, black people (Africans, coloureds and Asians) and people with disabilities¹⁴.

Women have been less successful than their male counterparts in acquiring positions in the upper echelons of organisations. Despite no formal or visible barriers keeping women out of these influential positions, the 'beliefs and values that make up the male subculture of the corporate upper class has effectively excluded women from real consideration' (Bryjak, 1994:217). They have struggled to crack through a proverbial glass ceiling to assume equality with men in employment. A glass ceiling brings to mind the alluring thought of being able to

¹⁴ www.labour.gov.za

see a desirable object, but upon approaching or touching it, being increasingly aware of its inaccessibility. The construction of this glass ceiling in the lives of women is the result of gender, a system for classifying people as male or female on the basis of their anatomical, psychological, and socio-cultural characteristics¹⁵.

Women and men are anatomically different from each other with a different chromosomal constitution and hormonal proportions in their bodies. Consequently men are generally bigger and stronger and assumed to be physically superior to women. However, biological studies reveal that women have an advantage in terms of long-term physical endurance and embryonic strength during the foetal stage of their development and longevity¹⁶. Cultural preference rather than biological considerations ultimately signify which of the sexes is superior.

Women and men also view the world differently and respond to these views in ways that are innately different. 'Women are thought to be more emotional and artistic; men are seen as more rational and pragmatic'¹⁷.

Gender stereotypes resulted in specific roles being assigned to individuals on the basis of their sex. Through a process of social learning, individuals acquired and internalised the role of males and females as defined by their cultures. This gave effect to gender stratification, which is social inequality from hierarchies based on sex. Prior to 1994 in South Africa, these inequalities were entrenched in legislation, which further reinforced the inequality faced by women especially those who were working.

Also, research about women in management generally refers to white women to the exclusion of women of colour. 'The issue for women of colour in management has been described as one of breaking a concrete ceiling that restricts their access to even middle management positions'¹⁸. A universal understanding of the experiences of women is possible only if ALL similarities AND differences between them are considered.

Despite the above issues, women have managed to raise their visibility within society and the workplace. However, women are still picking up the shards of the glass ceiling as they retaliate against the barriers to their advancement to positions of influence and power and a noteworthy place in society.

¹⁵ Bryjak, GJ *et al.* 1994

¹⁶ Bryjak, GJ *et al.* 1994:202

¹⁷ Bryjak, GJ *et al.* 1994:203

¹⁸ Fagenson, EA. 1993:107

Black people (Africans, coloureds and Asians) have been marginalised and deprived of an equal education, employment opportunities, promotions and benefits, on the grounds of race (classification of human beings based on biological attributes like skin colour, hair texture etc.)¹⁹. Bryjak (1994:174) states that the South African apartheid system typified continued subjugation, which is a 'variety of formal and informal practices that are undertaken by the dominant group to maintain the powerless and subservient position of some particular minority group(s) in a given society'. For decades, stringent racial separation was the law of the land '(*de jure racism*)' and South African blacks were disadvantaged socially, economically and politically. Although many of these laws have been revoked, racism is still a lingering practice '(*de facto racism*)'.

The Employment Equity Registry for 2001²⁰ indicates a one per cent representation of workers with disabilities in all occupational levels. This low percentage is and has always been a characteristic phenomenon of the South African open labour market. People with disabilities are people who 'have any restriction or lack (resulting from impairment) of ability to perform an activity in the manner or within the range considered normal for a human being. This describes a functional limitation or activity restriction caused by impairment. Disabilities are descriptions of disturbances in function at the level of the person'²¹. Disabled people were disadvantaged by:

- recruitment and selection practices
- a working environment and
- a lack of benefits and privileges of employment

which did not provide them with equal access, participation, career advancement and retention in employment.

Section 19 of the Employment Equity Act, No 55 of 1998 states that, in order to rectify these imbalances in employment, designated employers have to develop and monitor the implementation of an Employment Equity Plan, the results of which must be reported annually to the Department of Labour. The purpose of an Employment Equity Plan is therefore to show how a designated employer intends

¹⁹ Bryjak, GJ *et al.* 1994:167

²⁰ <http://www.labour.gov.za>

²¹ Barnardo, C. 2001: 10-11

achieving employment equity in the organisation. These plans should also include measures that will invest in, and develop people, in order to ensure sustainability of the business that the employer is engaged in. The Employment Equity Plan also indicates a vital connection between the current workforce profile and possible barriers in employment policies and practices. These barriers form the key to developing and implementing measures which could assist with the realisation of employment equity objectives.

2.5.2 ELIMINATION OF BARRIERS TO ACHIEVING EMPLOYMENT EQUITY

When an organisation has identified the barriers to achieving employment equity, the Code of Good Practice: Preparation, Implementation, and Monitoring of Employment Equity Plans (1999: 36)²² states that affirmative action measures to address the barriers identified during the analysis, should be developed to improve the under-representation of designated group members. Affirmative action measures provides for equal employment opportunities and ultimately the realisation of the Employment Equity Act. Such measures relate to, but are not limited to the following:

- ‘1. *Appointment of members from designated groups.* This would include transparent recruitment strategies such as appropriate and unbiased selection criteria and selection panels, and targeted advertising.

2. *Increasing the pool of available candidates.* Community investment and bridging programmes can increase the number of potential candidates.

3. *Training and development of people from designated groups.* These measures include access to training by members of the designated groups, structured training and development programmes like learnerships and internships; on-the-job mentoring and coaching, and accelerated training for new recruits. Where required, diversity training should be provided to responsible managers, as well as training in coaching and mentoring skills.

²² Code of Good Practice: Preparation, Implementation, and Monitoring of Employment Equity Plans (1999: 36)

4. *Promotion of people from designated groups.* This could form part of structured succession and experience planning, and would include appropriate and accelerated training.

5. *Retention of people from designated groups.* Retention strategies should include the promotion of a more diverse organisational culture; an interactive communication and feedback strategy; and ongoing labour turnover analysis.

6. *Reasonable accommodation for people from designated groups.* These measures include providing an enabling environment for disabled workers, and workers with family responsibilities, so that they may participate fully and, in so doing, improve productivity. Examples of reasonable accommodation are accessible working areas, modifications to buildings and facilities, and flexible working hours where these can be accommodated.

7. *Steps to ensure that members of designated groups are appointed in such positions that they are able to meaningfully participate in corporate decision-making processes.* A conscious effort should be made to avoid all forms of tokenism. Candidates must be appointed with commensurate degrees of authority.

8. *Steps to ensure that the corporate culture of the past is transformed in a way that affirms diversity in the workplace and harnesses the potential of all employees.* Such steps could include programmes for all staff, including management, contextualising employment equity, and sensitising employees with regard to the grounds of discrimination such as race, diversity, gender, disability, and religious accommodation.

9. *Any other measures arising out of the consultative process'.*

2.5.3 ORGANISATIONAL ATTITUDES TO EMPLOYMENT EQUITY

Various barriers prevent the successful implementation of measures, which conform to the Code of Good Practice, to realise employment equity goals and objectives. According to Richards (2001), four common paradigms on equity exist

in South African organisations, which affect the implementation of affirmative action measures:

1. *The Godfather* - organisations view the Employment Equity Act, No.55 of 1998 as a nuisance and only enact that which is politically correct and legally expected of them. Management unilaterally decides on all aspects of training that will take place, and the holistic development of employees is not the primary concern of the organisation.

2. *All people are created equal* - here, white managers in such organisations demonstrate the expectancy theory. In practice this means that a full and equal environment is created by the organisation through eradicating all legal constraints and restrictive company policies that previously affected employee development. Employee development will thus be spontaneous and energetic. However, while there is intellectual acknowledgement of the Act, no special measures are implemented to give it force. For example, should a female employee show potential, no barrier will deliberately be placed in her way, but then neither will any significant form of affirmative action measure, like finances or mentoring, be provided. So, even though policies are being rewritten to conform to new regulations and legislative deadlines are being met, these will only enable management to acknowledge compliance so that there will be no legal repercussions for non-conformance.

3. *If you can't beat them, join them* - organisations who hold this perspective have usually created an Employment Equity Office staffed by a black person. A genuine effort is made to facilitate the upward mobility of a few selected people from the designated groups, and the organisation is recognised as one that vigorously recruits affirmative action candidates in certain posts. They regard statutory requirements as imperative, and differ from the second paradigm in the endeavours and finances that are allocated to get employment equity operational.

4. *The rainbow people* - considering for how long South Africans have been socialised according to a stereotypical way of thinking in all aspects of work and life, South African adults now face the immense task of having to accept diversity.

This fourth approach is to manage the diversity paradigm, and expand on the whole concept of affirmative action, because dimensions other than race and gender need to be included to make employment equity endeavours more complete. This view goes beyond the tunnel-vision concept of obligatory career advancement, and includes broader dimensions such as comprehensive employee participation, economic empowerment, social investment, education, and the general well-being of previously disadvantaged people. The unique traits of employees from different cultures are acknowledged, and issues pertaining to designated groups are directly addressed and not ignored. Implementing the management of diversity starts with managers and not with employees, but it is imperative that employees at some or other point themselves accept that the special characteristics of each group are in fact valuable, will benefit the whole organisation, enrich the people therein and build trust amongst colleagues. Even given this view of equity, people from previously disadvantaged groups find that they cannot develop and advance in the job pecking-order unless the organisational culture is changed first.

For an organisation to become effective, there has to exist a balance between realising employment-equity objectives and the corresponding people-related issues. To this end, organisations should not be satisfied with just the attainment of numerical equity goals, but should strive to find a method of entwining statutory obligations with the development of their employees. Achieving employment equity is a change-management process, and should commence with a clear understanding of the marriage of employment equity (with embedded affirmative action measures) and the management of diversity.

2.5.4 EMPLOYMENT EQUITY AND MANAGING DIVERSITY

Martins (2000), provides a brief summary of the differences between and employment equity and diversity, discussed in Kandola R and Fullerton J, (1998):

Table 2: Differences between employment equity and diversity

Employment Equity	Diversity
Externally initiated	Internally initiated
Legally driven	Business-needs driven
Quantitative focus ie. Improving the numbers	Qualitative focus ie. Improving the environment
Problem-focused	Opportunity-focused
Assumes assimilation	Assumes pluralism
Reactive	Proactive
Race, gender and disability	All differences

Source: Martins, 2000: Kandola R and Fullerton J: 1998

From the above summary one can conclude that employment equity was initiated by a legislative intervention of the South African government with the clear intention for organisations to improve on the number of people from designated groups occupying various positions in an organisation. This reaction stemmed from the assumption that a dominant group's (whites') performance and style was superior to that of those who were not in that group. It 'devalued diversity and reinforced homogeneity'; 'perpetrators of stereotypes and prejudice in the workplace' (Grobler, 2002: 49). Though reactive in nature, employment equity attempted to rectify South Africa's previous discriminatory employment policies and practices, presuming that people from designated groups should be absorbed by means of a planned process, and have equal access to, and make equal contributions to, and equally benefit from, the results of organisational achievements.

Diversity, on the other hand, is a proactive, practicable, intrinsic concept that is created by the needs of business and the needs of employees. Its focus is qualitative in nature, and centres on improving the work environment of employees. It is based on the assumption that all groups' performances and style are equal. It reinforces heterogeneity by recognising and honouring ALL differences AND similarities amongst employees. Fields (2001:226) contributes that traditionally organisations have focused their diversity efforts on race and gender-related issues but these have been diverged to include aspects such as 'sexual orientation, religion, personality, socio-economic status, education and learning ability, balancing work and personal life, physical challenges and many others'.

Ritvo, Liliven and Butler (1995) in Martins (2000), place diversity on a ten-point scale to indicate organisations still wedged in Affirmative Action (1 to 3) and those who have made good progress towards managing diversity (8 to 10). Organisations at the lower end of the scale (1 to 3) perceive affirmative action as a governmental obligation and are characterised by little or no change to the organisation's bottom-line.

Table 3: Ten-point diversity scale

Affirmative Action			Employment Equity				Managing Diversity		
1	2	3	4	5	6	7	8	9	10
<ul style="list-style-type: none"> - A temporary intervention to achieve equal opportunities and eliminate disparities between diverse employees. - Preferential treatment is utilised to level the playing field. - The focus is on previously disadvantaged groups 			<ul style="list-style-type: none"> - Granting equal access into a company. - Merit is a criterion when appointing or promoting. - providing equal access for all people to participate on the basis of merit, ability and potential. 				<ul style="list-style-type: none"> - A diverse workforce that is founded on the premises. - Harnessing of differences will create a productive environment in which everybody is valued, talents are utilised and organisational goals are met. 		

Source: Martins 2000: Ritvo, Liliven and Butler, 1995

It is clear that a marriage between the statutory obligations of the Employment Equity Act, No.55 of 1998 and managing diversity is imperative for organisational effectiveness.

2.6 SKILLS DEVELOPMENT

The Skills Development Act, No.97 of 1998 and the Skills Development Levies Act, No.9 of 1999 are a 'window of opportunity that can be effectively used to improve employees' competencies, develop tailor-made training programmes that meet specific organisational needs, and generate a pool of skills essential for the success of the organisation'²³. The Green Paper for a Skills Development Strategy for Economic and Employment Growth in South Africa, published in 1997, maintains that 'if all South Africans are to participate in economic and social development and their own advancement, they should possess basic capabilities and also be able to participate in the international market with its complex

²³ <http://www.labour.gov.za/docs/legislation/skills/act98-097.htm>.

technologies and requirements for higher skills'²⁴. This vision requires raising the level of applied competence of the South African worker.

South Africa embarked on a national training strategy with the vision of providing a human capital development system with an 'integrated approach to education and training which not only had to provide for the economic and social needs of the country but also for the developmental needs of the individual' (Erasmus, 2001:10). The objective of the South African Qualifications Authority Act, No. 58 of 1995 is to provide for the development and implementation of a National Qualifications Framework (NQF). The NQF is based on a credit system for achieving learning outcomes. It consists of a framework with eight levels and three identified bands namely, General Education and Training (comprising level 1), which is equivalent to nine years of formal schooling or Adult Basic Education; Further Education and Training (comprising levels 2 to 4) where level 4 is equivalent to grade 12 of schooling; and the Higher Education and Training (comprising levels 5 to 8) which ranges from diplomas and occupational certificates to doctoral degrees.

The concept of lifelong learning was also introduced where different forms of learning such as experience, in-house training are recognised and credits awarded and registered with the NQF towards a national qualification.

Helepi (2000) states that over and above the ethical responsibility to eliminate the injustices of the past, one of the reasons for the implementation of affirmative action is the shortage of skills in South Africa. The speed of our economic growth and success can be attributed to the quality of the economically active population in South Africa. Organisations should embark on measures to develop their agility and flexibility in order to respond efficiently to change. Lack of education or poor education and training among blacks, women and the disabled, who happen to be a majority of the economically active population, necessitate affirmative training and development initiatives. A process known as 'multiskilling', which entails the expansion of employees' skills beyond the limits of their current jobs, must be accessible to all employees.

One way to ensure that employers develop the skills of their employees was the passing of a Skills Development Levies Act, No.9 of 1999, whose purpose

²⁴ Erasmus, BJ et al.2001: 20

was to impose a skills development levy. Every employer must pay 'a levy of 0,5% (from 01 April 2000) of the employer's payroll, which increased to 1% from 01 April 2001'²⁵. This levy is paid to the South African Revenue Services who disburse 80% of the levies received into the Education and Training Funds, in proportion to the levies received from the employers in the different sub-sectors or industries; and 20% of the levies received into the National Skills Fund²⁶. Employers who default are guilty of a felony, and are legally liable, on conviction, to a fine.

2.7 CONCLUSION

Are employment equity plans and reports revealing ALL the hidden barriers and fundamental beliefs about people and their value to organisations? It is evident from the above literature study that, in order to use employment equity in creating an integrated and diverse labour force, it is essential to create and sustain an environment that acknowledges, encourages, and facilitates the development of employees to their full potential.

To maintain a competitive advantage, it has become imperative to accept the undeniable presence of people in the workplace, and to realise the need to interpret their economic value and convert it into essential business policies and practices that will not only develop them, but also attract and retain them in the organisation. Organisations in South Africa today are confronted with the challenging task of compliance with legislation, while at the same time striving towards achieving organisational goals and developing their human capital.

South Africa is the leading economy on the African continent and will undoubtedly play a critical role in its growth. It is therefore appropriate, under these conditions, that recruiting, developing and retaining a pool of talent in sufficient quantities, should become a key practice in organisations. Strategies need to be developed which invest in human capital and quantify the return on such an investment. Every business practice, including human capital management, has concrete and intangible economic value. However, the impact of technology has caused the intangible element to grow faster. The way in which an organisation 'realises the intangible economic value of human capital and

²⁵ Grobler, PA *et al.* 2002:350

²⁶ Erasmus, BJ *et al.* 1999

translates that into essential business imperatives to attract, retain and develop that human capital'²⁷ remains a challenge.

Developing and managing human capital is a worthwhile endeavour only if the energy invested in recruiting, training and developing employees concludes with a tangible strategy to retain this capital, whether it is to satisfy the work needs of employees, develop their skills, realise employment equity objectives, or sustain global competitiveness, or preferably a combination of all four.

It is appropriate to conclude, as Friedman does, (1998:142), with the Parable of the Sower:

'A sower went out to sow his seed; and as he sowed, some fell on the path and was trampled on, and the birds of the air ate it up. Some fell on the rock; and as it grew up, it withered for the lack of moisture. Some fell among thorns, and the thorns grew with it and choked it. Some fell into good soil, and when it grew, it produced a hundredfold.'

Couched in more technical language, this means that, in the context of human capital management, a good human capital management programme within a sound management process can facilitate the increase in worth of human capital.

²⁷ McCormick, K. 2000:1

CHAPTER 3

FACTORS THAT INFLUENCE THE RETENTION OF HUMAN CAPITAL

'The old rules are gone. Organisations that do not really value employees as an asset as integral as real estate and finances are destined to see themselves fall off the competitive curve'²⁸

-George Kay, Dean, Lesley University School of Management

3.1 INTRODUCTION

The previous chapter highlighted the necessity for South African organisations to embark on methods to develop human capital. As suggested by the quotation by George Kay, human capital management has indeed become an essential business practice. Considering the:

- impact of technology on the way work is done
- local labour market which has assumed a global connotation
- need for South Africa to achieve levels of economic growth necessary for sustainable development and
- all the time, effort, and cost involved in designing and successfully implementing a mechanism to develop the human capital in an organisation.

What a waste indeed it would be to enact these measures only to see one's most valuable asset being recruited by a business competitor. This chapter will discuss the factors that influence retaining human capital, and mechanisms that facilitate the employee retention process, by drawing from international indicators.

3.2 FACTORS THAT INFLUENCE EMPLOYEE RETENTION

3.2.1 MOTIVATION

The factors that inspire people to behave in particular ways are abundant, dynamic and sometimes paradoxical. According to Statt (1994: 274) motivation is defined as 'a general term for any part of the hypothetical psychological process

²⁸ Fields, MRA. 2001:33

which involves the experiencing of needs and drives and the behaviour that leads to the goal which satisfies them’.

These factors vary from one individual to the next, and within the same individual over time. Formal and informal motivational theories will be discussed in order to understand motivation as a determinant of behaviour, which for the purposes of this study, will help in understanding the behaviour of resignation.

3.2.1.1 Formal theories of motivation

3.2.1.1.1 Need Theories

*Maslow’s Hierarchy of Needs*²⁹: Abraham Maslow was a leading promoter of humanism in psychology. This humanistic perspective is based on the assumption that needs are predominantly responsible for behaviour. Maslow believed that the occurrence of a need created motivational tension, which would be channelled towards satisfying that need. He proposed that human behaviour is based on five levels of needs, which form a flexible hierarchy as illustrated in Figure 1 below:

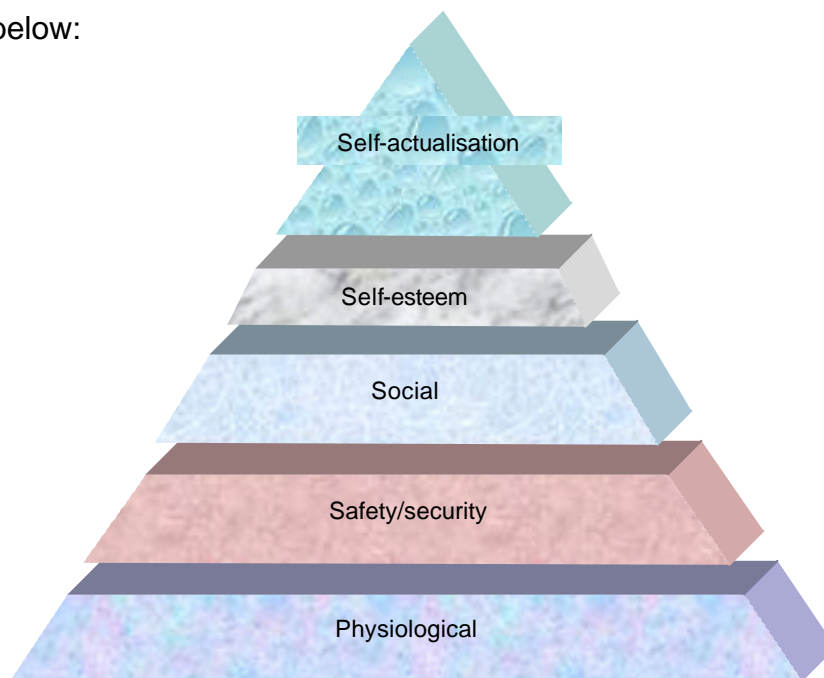


Figure 1: Maslow’s Model of Needs Satisfaction

²⁹ Grobler, PA *et al.* 2002:105

On the first level are **physiological needs**, which are the primary needs for food, shelter and clothing, that can be directly satisfied by compensation: If an employee is adequately remunerated he can satisfy his basic physiological needs.

Once the basic needs have been satisfied, the **safety or security needs** become a motivational factor. An employee's most significant security needs are job security, increases in remuneration and benefits.

On the third level are **social needs**. An employee's desire for social relationships inside and outside the organisation is characteristic of this level. Employees need to be accepted by colleagues and gain a sense of belonging in the workforce.

Once employees feel a part of the organisation, the **need for self-esteem** becomes supreme. Of significance at this level is the employee's status within the organisation, and his degree of autonomy.

The highest and fifth-level need is **self-actualisation**. At this level employees seek a gratifying, valuable life in the organisation and society and a challenging and inspiring job to satisfy this need³⁰. Maslow argues that each level directs behaviour towards the needs level that is not being adequately met. An individual will repeatedly try to fulfil that need, hence the evolution of that need into a motivational factor.

*Alderfer's ERG Theory*³¹ is based on the work of Maslow but differs in that he does not emphasise a hierarchical order of needs as Maslow does. He suggests three fundamental groups of needs, namely Existence, Relatedness, and Growth. Existence needs parallel Maslow's physiological and safety needs; relatedness parallels social needs, and growth needs parallel self-esteem and self-actualisation. Alderfer's work also stresses that needs for relatedness and growth increase in intensity as they are satisfied, as opposed to Maslow's theory, which suggests a decrease in the intensity of the need once it is satisfied.

*Herzberg's Two-factor Theory*³² was founded by Frederick Herzberg and based on his research on employees' job satisfaction levels in the workplace. He

³⁰ Grobler, PA *et al.* 2002

³¹ Statt, DA. 1994

³² Statt, DA. 1994

suggests two needs factors in his theory, namely Hygiene and Motivator needs. Hygiene needs parallel Maslow's physiological and safety needs, and must be satisfied for an employee to be satisfied with his/her job. Hygiene factors, however, do not unilaterally produce job satisfaction; motivators which are inherent in the job itself, are required to fulfil this need. Motivators include achievement, autonomy, acknowledgment, accountability and challenge, which parallel Maslow's third, fourth and fifth-level needs.

*Need Achievement Theory*³³: David McClelland produced a theory of achievement motivation. The three needs emphasised in it are the need to achieve, the need for affiliation and the need for power. The need for power corresponds to Maslow's safety needs, at which time an employee aspires to acquire and employ control over others. The need for affiliation corresponds to Maslow's social needs, at which time an employee focuses on forming relationships with others. The need for achievement is a higher-order psychological need which corresponds to Maslow's needs for self-esteem and self-actualisation. This need is defined 'as a preoccupation to focus on goals, improving performance and tangible results; it is associated with self-discipline, accepting responsibility and becoming success-oriented'³⁴.

Table 4 summarises the four needs theories as they were discussed above.

Table 4: Classification of needs theorists in relation to each other

Maslow	Alderfer	Herzberg	McClelland
Physiological	Existence	Hygiene	
Safety			Power
Social	Relatedness	Motivators	Affiliation
Self-esteem	Growth		Achievement
Self-actualisation			

Source: Statt, DA 1994:283

3.2.1.1.2 Expectancy Theory

³³ Grobler, PA *et al.* 2002

³⁴ Grobler, PA *et al.* 2002:105

Victor Vroom's (1964) expectancy theory suggests that 'the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual'³⁵.

The theory emphasises three relationships:

- *Effort-performance*: the employee perceives that exerting a certain amount of effort will lead to a performance. A question that he or she could ask is 'If I give maximum effort, will it be recognised in my performance appraisal?'
- *Performance-reward*: the extent to which the employee believes that performing at a particular level will lead to the realisation of the desired outcome. A question that he or she could ask is 'If I get a good performance appraisal, will it lead to organisational rewards?'
- *Rewards-personal goals*: the extent to which the organisational rewards satisfy the employee's personal goals or needs, and the degree of allure of these rewards for the employee. A question that he or she could ask is 'If I'm rewarded, are the rewards ones that I find personally attractive?'

The answers are combined in determining his/her motivation. The expectancy theory seems limited with regard to intrinsic motivation, and tends to be 'much more concerned with extrinsic outcomes like promotion, money or status'³⁶.

3.2.1.1.3 Equity theory³⁷

This theory suggests that 'individuals compare their job inputs and outcomes with those of others, and then respond so as to eliminate any inequities'. An employee can use any of four referent comparisons:

- 'Self-inside: an employee's experiences in a different position inside his or her current organisation'
- 'Self-outside: an employee's experiences in a situation or position outside his or her current organisation'

³⁵ Robbins, SP. 1998:187-188

³⁶ Bandura, 1987 in Statt, DA. 1994:287

³⁷ Robbins, SP. 1998:183

- 'Other-inside: another individual or group of individuals inside the employee's organisation'
- 'Other-outside: another individual or groups of individuals outside the employee's organisation'.

If the employee's comparison yields an inequitable result, the inequity will create tension, which will serve as the source of motivation, as the employee tries to convert his circumstances to what he/she perceives as equitable and fair.

3.2.1.1.4 Goal-setting Theory³⁸

Edwin Locke in Grobler (2002:106) suggests that 'job performance can be increased through goal-setting'. A reliable articulation of goal-setting theory is that the employee's execution of his/her work responsibilities is managed by the setting of concrete objectives whose attainment can serve as an instrument to measure his/her performance. Feedback on goal attainment or the lack thereof is imperative to the success of the practice of this theory.

3.2.1.2 Informal theories of motivation

Three different kinds of informal motivational theories have been put forward, each one based on a particular perspective of human nature:

3.2.1.2.1 Theory X³⁹ is characterised by the following beliefs:

- 'People are inherently lazy so they must be motivated by external incentives'
- 'They will pursue their own goals, which run counter to those of the organisation, so they need external controls to keep them in line'
- 'They are quite irrational and incapable of self-discipline or self-control'
- 'The rare individuals who are rational, controlled, and self-motivated will therefore have to manage all the others'.

3.2.1.2.2 Theory Y⁴⁰ makes the following assumptions:

- 'People seek meaning and a sense of accomplishment, and wish to exercise autonomy and be independent in their work'

³⁸ Grobler, PA *et al.* 2002:106

³⁹ Statt, DA. 1994:276

⁴⁰ Statt, DA. 1994:276

- 'As they are basically controlled and self-motivated they will find external incentives and controls demeaning'
- 'If only they are only given the chance to do so, they will come to regard the organisation's goals as their own'.

3.2.1.2.3 Social Assumptions suggest that:

- 'Human behaviour is primarily motivated by social needs'
- 'A sense of individual identity comes from interpersonal relationships'
- 'Meaning is sought in social relationships at work'.

It is important for organisations to assess what the relationship is between the needs and behaviour of employees, and the role that motivation plays in their ensuing behaviours. The complexity of such a determination is substantiated by the fact that 'a given need could be satisfied by different kinds of behaviour, while the same behaviour in two people could be aimed at satisfying different needs'⁴¹. The formal theories of motivation presented above would favour a cautious consideration for individual development and an environment where training in human relations is a key factor in the organisation. This perspective happens to be present in South African legislation and organisational policies and practices today. Needs theorists would also be dedicated supporters of Theory Y assumptions, which are reflective of a sound human capital development programme.

A study of motivation as a determinant of behaviour was critical to the researcher's comprehension of the relationship between the needs of the employees relative to the other factors that will be discussed further on, and the subsequent decision of employees to behave the way they did, that is, to resign.

3.2.2 ATTITUDES

Robbins (1998:140) defines an attitude as 'an evaluative statement or judgement concerning objects, people or events.' Attitudes are acquired through socialisation, which entails the reception and ingestion of various cultural beliefs and social practices by socialisation agents (family, school, peer groups, mass

⁴¹ Statt, DA. 1994: 284

media) throughout an individual's lifetime. Breckler, S.J. in Robbins (1998:140) states that an attitude consists of three parts:

- 'the cognitive component which is the opinion or belief segment of the attitude',
- 'the affective component which is the emotional or feeling segment of an attitude' and
- 'the behavioural component, which is the intention to behave in a certain way toward someone or something'.

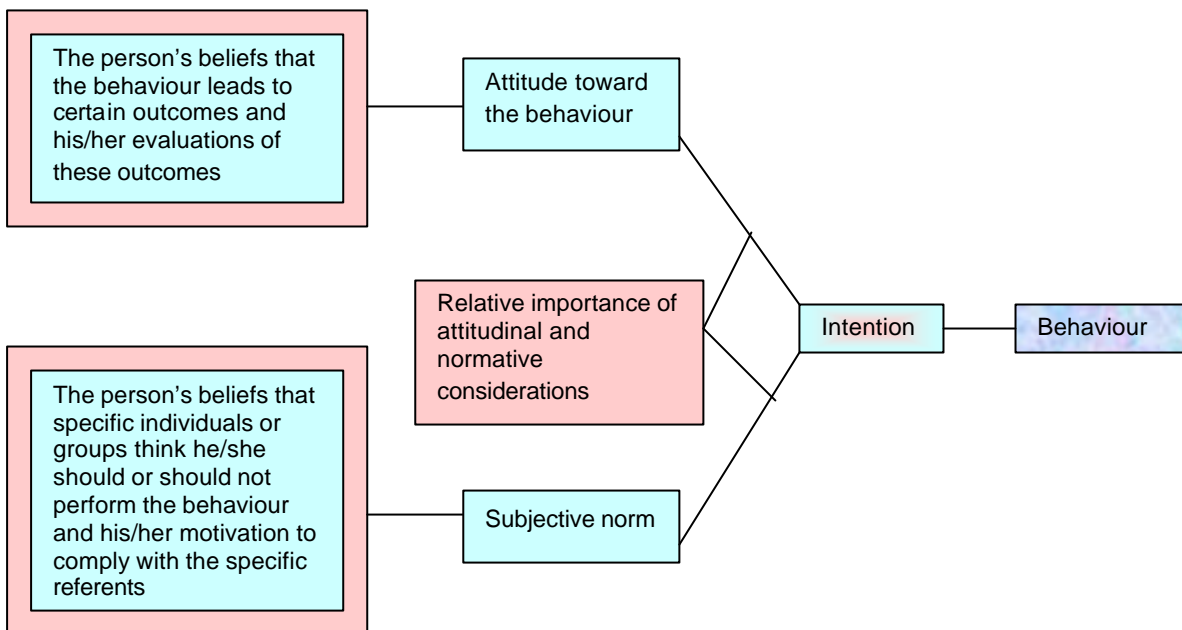
For example, a woman believes that it is wrong to be discriminated against on the grounds of gender differences (cognitive). Her manager overlooks her abilities for promotion because she is female, and therefore she feels that she does not respect him (affective). She starts looking for other work so that she can function in an environment where she is valued as a person (behavioural). One can thus conclude that the term 'attitude' refers predominantly to its affective component. Attitudes are therefore a function of beliefs known as behavioural beliefs.

3.2.2.1 Theory of Reasoned Action

Ajzen, I and Fishbein, M. (1980:5) propose 'a theory of reasoned action which is based on the assumption that human beings are usually quite rational and make systematic use of the information available to them'. They assume that people consider the possible consequences of their actions before they decide to engage or not engage in a given behaviour. According to this theory, a person's intention to behave in a certain way is determined by his/her attitude toward the behaviour and subjective norms. Subjective norms are the individual's perception of the social pressures put on him/her to perform or not perform the behaviour he/she intends engaging in. These beliefs underlying an individual's subjective norm are known as 'normative beliefs'.

Figure 2 below illustrates how behaviour can be explained according to attitudes, subjective norms and external variables, which ultimately culminate in the engaging of a certain behaviour.

Figure 2: Factors determining a person's behaviour



Note: Arrows indicate the direction of influence.

Source: Ajzen, I & Fishbein, M. 1980:8

From this figure one can conclude that attitude can be regarded as a determinant of an individual's behaviour.

3.2.2.2 A sociological perspective of behaviour ⁴²

Having considered various sociological perspectives, the functional, conflict and interpretive perspectives emerge as the three dominant contemporary theoretical perspectives on human behaviour that facilitates the understanding of the research topic. The functional perspective observes the relationship between the parts and the whole of a social system. A conflict perspective examines disparity, antagonism and struggles over power and resources in a group. Functional and conflict perspectives refer to macro-level paradigms and characteristically move from a general model of social structure back to everyday behaviour - from the 'out there' to the 'down here'⁴³. The interpretive perspective focuses on processes by which people makes sense of everyday life. This perspective views 'social systems as products of interaction and the meanings that people give to their

⁴² Hess, BB *et al.* 1991

⁴³ Hess, BB *et al.* 1991:18

situations'⁴⁴. It focuses on micro-level social phenomena and typifies human interaction as the starting point of social understanding. For example, if we look at employees' tenure with an organisation, a functionalist would link the characteristics of a globally competitive economic system to varying rates of employee turnover. A conflict analyst would be of the opinion that a change in power relationships determines employee turnover. Interpretive studies would explore the meaning of tenure with an organisation to the individual employee and how this meaning affects his or her relationships.

Though these views are different, they do share the central focus of interaction.

For the purpose of this study, the researcher will focus on the symbolic interactionist perspective.

3.2.2.2.1 Symbolic Interactionism

Collins in Bryjak (1994) suggests that the symbolic interactionist perspective is based on the work of Charles Horton Cooley, George Herbert Mead and William Isaac Thomas. Together, the contributions of these three men shaped the groundwork for the contemporary symbolic interactionist perspective. Herbert Blumer, the sociologist who is credited as being the creator of contemporary symbolic interaction theory, summarises what he calls 'root images' of the perspective:⁴⁵

- 'People respond to things (objects, events, actions, other people, circumstances) on the basis of the meanings those things have for them'
- 'These meanings do not exist in the things themselves but are created through the process of social interaction'
- 'Individuals interpret these meanings as they apply in specific circumstances'

These 'root images' or fundamental ideas allow a sociologist to understand the relation between external social realities and human social patterns that may vary

⁴⁴ Hess, BB *et al.* 1991:18

⁴⁵ Blumer, 1969; in Collins, 1985 b; in Bryjak, 1994:25

significantly from one group to another. Each group interprets the objective event in a different way, attaching a different subjective meaning to it.

This perspective is of specific significance to this study, because the researcher is exploring the perceptions that ex-employees have of factors which could have influenced their behaviour, namely the act of resigning. The perceptions will not only be individually explored, but also according to various groups within the organisation, which have been determined by legislation and organisational necessity.

3.2.3 WORK ENVIRONMENT

Employees need a working environment that is conducive to their performing their jobs as effectively and efficiently as possible. It should also be healthy and safe.

Of significance is the positive relationship that exists between organisational *communication* and organisational commitment, which emphasises the importance of effective communication practices in the workplace, irrespective of whether communication is formal or informal, via vertical or horizontal channels of communication (direct supervisory communication or using communication tools such as newsletters). Current trends in business stress the importance of realtime communication and not relaying information to employees long after organisational changes have been planned. Opportunities must also be created for them to express themselves, and they should be given feedback on how their work affects the company's well-being, what changes are in the pipeline that may affect their jobs, and how management perceives their work⁴⁶.

The interface between *the employee and the workstation and tools* contributes to his or her satisfaction with the work environment. Temperature, noise, lighting and air quality should be at satisfactory levels.

Employees welcome an environment that supports their fulfilling commitments to family activities, and creating a *balance between work and life* in general.

Human beings have social needs that should be satisfied through the active promotion of positive *relations with colleagues*.

⁴⁶ <http://www3.hr.com/Hrcom/index.cfm/124/B393C966-3D7D-11D4-8DE8009027E0248F?ost=feature>

Statt (1994:400) refers to *organisational culture* as the 'sharing by everyone in the organisation of the same ideas, values, assumptions, beliefs and meanings'. Schein in Francesco (1998:126) defines organisational culture as 'a pattern of basic assumptions-invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems'.

Schein in Francesco (1998:133) identifies various dimensions to organisational culture namely,

- 'The organisation's relationship to its environment
- The nature of human activity
- The nature of reality and truth
- The nature of time
- The nature of human nature
- The nature of human relationships and
- Homogeneity versus diversity'.

An analysis of the above dimensions will result in a paradigm that will help explain how the organisational culture affects the behaviour of employees in the organisation.

Organisational culture is strongly affected by an ever-increasing awareness of activities in other parts of the world (globalisation). The expansion of the organisation's environment through the concept of local assuming a global connotation in business, creates a heightened awareness of what the competition is doing and a desire to respond to the organisational practices of international competitors.

Some literature ⁴⁷ states that an organisation's culture usually has exactly the meaning that senior management wishes it to have. It is therefore a commonly held concept that employees 'conform to' rather than 'identify with'. An organisation's culture can affect an employee's sense of belonging and his/her employee-to-organisation fit.

⁴⁷ Statt,DA. 1994

It is thus imperative for organisations to realise that the purpose of organisational culture is to provide it with an external identity that distinguishes it from other organisations. Similarly the culture will provide an identity for employees and locate them within the organisational and occupational structure that is recognisable to themselves and others, in other words, it establishes the employee-to-organisation fit mentioned by Statt (1994) ⁴⁸.

3.2.4 DIRECT SUPERVISOR/MANAGER

An employee's manager/supervisor plays a very significant role in an employee's satisfaction with his or her job. There are many different definitions of management in the literature that was consulted, with different authors defining it in different ways. For the purpose of this research, the definition in Robbins (1998:2) which defines a manager as 'an individual who achieve goals through other people' in an organisation, is sufficient. He defines an organisation as 'a consciously co-ordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals'. Henri Fayol in (Robbins, 1998:2) believes that there are 'five primary functions of managers, namely to plan, organise, command, coordinate and control'. These have been condensed to the four functions of planning, organising, directing and controlling.

'Planning includes defining goals, establishing strategy and developing plans to coordinate activities'. Once managers have prepared plans and determined objectives, they must develop a structure that will enable them to execute their plans and realise their objectives. The organising function thus entails determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and where decisions are to be made'. After plans have been made, and a structure created with suitable staff, the manager has to direct or lead the organisation. The function of leading includes 'motivating subordinates, directing others, selecting the most effective communication channels and resolving conflicts' to perform tasks that will assist the organization in realising its objectives. In order to conclude his or her functions a manager will control the process of the organisation achieving it's goals 'monitoring activities to ensure that

⁴⁸ Francesco, AM & Gold, BA. 1998

they are being accomplished as planned and correcting any significant deviations' (Robbins, 1998).

A managerial-roles approach centres on how managers actually execute the four functions mentioned above. A role is defined as the expected behaviour associated with a particular status and within this context basically means the accepted behaviour of a manager. Mintzberg in Robbins (1991:5) isolates ten roles that he perceives as generic to managers across all levels. The roles played by managers are highly integrated in practice and combinations vary considerably across managerial levels and function. Individuals occupying managerial positions in this highly competitive global era, work at an inexorable pace under constant pressure and on a wide variety of tasks. An assessment of a manager's fulfilment of his or her role should not occur outside of the conditions under which he or she executes his or her functions. A brief overview of these roles is presented in tabular form below:

Table 5: Mintzberg's Managerial Roles

Role	Description
Interpersonal	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of subordinates
Liaison	Maintains a network of outside contacts who provide favors and information
Informational	
Monitor	Receives wide variety of information; serves as nerve centre of internal and external information of the organisation
Disseminator	Transmits information received from outsiders or from other subordinates to members of the organisation
Spokesperson	Transmits information to outsiders on organisation's plans, policies, actions, and results; serves as expert on organisation's industry
Decisional	
Entrepreneur	Searches organisation and its environment for opportunities and initiates projects to bring about change
Disturbance allocator	Responsible for corrective action when organisation faces important, unexpected disturbances
Resource allocator	Making or approving significant organisational decisions
Negotiator	Responsible for representing the organisation at major negotiations

Source: Mintzberg, H (1973) in Robbins (1998:5) (sic)

Robert Katz in Robbins (1998:4) has identified three essential management competencies that a manager should have. A manager should have the required technical skills, which is the 'ability to apply specialised knowledge or expertise' in the workplace. Couched herein should be 'the ability to work with, understand and motivate other people both individually and in groups (human skills)'. He or she should also possess the 'mental ability to analyse and diagnose complex situations (conceptual skills)'. Managers should be appointed only if they are equipped with all the above-mentioned skills because some managers may be technically proficient but interpersonally incompetent. Such an imbalance of managerial skills may negatively impact on the occupational well-being of the employee and consequently the realisation of the organisation's objectives.

Marcus Buckingham and Curt Coffman make this point in their book, *First Break All the Rules* (Simon & Schuster, 1999), when they suggest that people do not leave organisations – they leave managers. Jack Martin, Vice- President, Human Resources, for Land O'Lakes, Inc., agrees: In my experience, the single most important attribute to the retention of high-potential employees is the quality of the manager' ⁴⁹.

3.2.5 TRAINING AND DEVELOPMENT

In order to understand the training and development processes in organisations, it is imperative to understand the concepts of training, education and development.

Training is a methodical and planned process to transform the knowledge, skills and behaviour of employees in such a way that organisational objectives are achieved (Erasmus, 2001). Training is task-oriented and focuses sharply on the work performed in an organisation.

Education is defined as the 'activities directed at providing the knowledge, skills, morals, values and understanding required in the normal course of life' (Erasmus, 2001:2)

Erasmus (2001) defines employee development as an activity that is mainly directed at creating learning opportunities and enabling learning within an organisation. Management development is a process that is focussed on equipping managers with the necessary knowledge, skills and attitudes they require in order to manage the organisation, and contains elements of education and training.

The above concepts are integrated and situation-bound and cannot be separated into impermeable compartments. Training focuses on the short term whereas development focuses on the long run. Development should take place continuously throughout an employee's career. According to Grobler (2002:315), there has been a shift in terminology from 'training and development to learning and development'. This shift can be attributed to the awareness of knowledge as a means of developing human and intellectual capital as a foundation of sustainable competitive advantage. Training must be determined according to the

⁴⁹ (<http://ehostvqgw8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=14boolean>)

needs of the employees and should meet the needs of the organisational objectives while presenting the employee with an opportunity to grow and develop.

Education and training opportunities are a compulsory legislative requirement and organisational practice in South Africa. As discussed in detail in Chapter 2, skills development and effective training will facilitate internal job mobility, which creates opportunities for career advancement and training, and helps broaden the employee's knowledge.

However, high-performing employees also yearn for exposure to leading-edge thinking. Formal education and training opportunities provide them with focused learning and an opportunity to enhance their skills. While some organisations may argue that increasing the portability of employees through training and development is a risky affair, the point is that 'if you don't develop your talented, ambitious employees, you are literally grooming them for departure'⁵⁰.

For some employees, work is a very important part of their lives, and they derive a great deal of pride and satisfaction from their jobs. Management of their career is a process that entails 'designing and implementing goals, plans and strategies that enable human resources professionals and managers to satisfy workforce needs and allow individuals to achieve their career objectives'⁵¹. Employees are more inclined to maintain a strong interest in their jobs and their organisations when there are paths for increased participation. Whether these paths take the form of promotional or lateral moves, they will help to fulfil the needs of workers who want to increase their knowledge and skill base. Demarcating clear career paths gives employees a road map for their future and increases expectations for promotion within the organisation⁵².

3.2.6 REMUNERATION AND BENEFITS

Remuneration remains a critical component of an employee's decision to keep or leave a job⁵³.

Pay-linked performance practices are a guaranteed way of ensuring that the employees who contribute to the organisation's success are rewarded appropriately. This entails implementing an equitable performance-appraisal

⁵⁰ <http://www3.hr.com/Hrcom/index.cfm/124/B393C966-3D7D-11D4-8DE8009027E0248F?ost=feature>

⁵¹ Grobler, PA *et al.* 2002:354

⁵² <http://www3.hr.com/Hrcom/index.cfm/124/B393C966-3D7D-11D4-8DE8009027E0248F?ost=feature>

⁵³ <http://www3.hr.com/Hrcom/index.cfm/124/B393C966-3D7D-11D4-8DE8009027E0248F?ost=feature>

system in which salary increases and bonuses are based primarily on merit. Grobler (2002:400) states that IBM was able to increase labour productivity in typewriter manufacturing by nearly 200% over a ten-year period. The reason cited was the use of two policies: [1] Pay for productivity and [2] Promote for productivity.

Storey (1993:132) defines performance management as an 'interlocking set of policies and practices which have as their focus the enhanced achievement of organisational objectives through a concentration on individual performance'. It assures a route to link micro activities of managing employees and groups of employees to the macro issue of organisational objectives. Increased competition and the displacement of collective arrangement with individualisation, has contributed to the broader perspective that organisations have of scrutinising how their business practices are adding value to the organisation.

Job evaluation is a process of methodically analysing jobs to determine the relative worth of jobs within the organisation. The result is a pay system with the pay rate for each job commensurate with its status within the hierarchy of jobs, the recommended method for setting the basis for pay differentials. Popular job evaluation systems include⁵⁴:

- the Patterson-method which is based on decision-making,
- the Hay Method based on factors such as know-how, problem-solving, accountability and working conditions,
- TASK (Tuned Assessment of Skills and Knowledge) which measures changes in the level of skills and knowledge needed in a job and
- Peromnes which is based on eight factors: problem-solving, consequence of judgement, pressure for work, knowledge required, job impact, educational qualifications and training and experience.

The latest job evaluation system in South Africa that includes but is not limited to work complexity, the level of skills and knowledge involved as well as the strategic value that employees contribute towards the organisations goals, is JAS (Job Appreciation System)⁵⁵.

Equity Theory as discussed earlier on in this chapter, recognises that individuals are concerned with the total amount of reward for their efforts and also

⁵⁴ Grobler, PA et al. 2002:386

⁵⁵ Grobler PA *et al.* 2002: 386

with the relationship of this amount to what others are receiving. If the relationship is perceived to be inequitable, it could become a major disincentive.

Employing a pay system which results in the bare minimum of tending to notions of unfairness and a visible focus on fairness will create an environment that will favour a longer-term commitment to an employer.

Benefits can be divided into five types:

- ❑ Benefits required by law, like unemployment insurance and compensation for injuries and diseases.
- ❑ Retirement benefits like contributing to a pension fund where the employer and the employee share the cost.
- ❑ Pay for time not worked, like on public holidays, sick, maternity, vacation and study leave.
- ❑ Insurance like medical aid schemes and life and disability insurance.
- ❑ Employee services like education expenses and housing subsidies.

The needs of the employee will determine the importance of benefits offered by the organisation, to his joining, staying with or leaving an organisation.

3.2.7 SOUTH AFRICAN LEGISLATION

Chapter 2 provided a detailed description of the legislative interventions by the South African government on employment policies and practices, in order to eradicate discrimination and entrench equity in the workplace. Employees' perception of the implementation of these legislative interventions by employers could be a determinant of their tenure with an organisation. Available on the Department of Labour's⁵⁶ web-site is an executive summary of the state of employment equity in 2001⁵⁷:

- ❑ 'When combining all levels of management and professional employment, Africans hold 27,3% of all jobs, Coloureds over 5%, Asians almost 5,5% and Whites 62%'
- ❑ 'Men currently hold 87% of all top management positions in South Africa and 80% of all senior management positions'

⁵⁶ <http://www.labour.gov.co.za>

⁵⁷ 2002 summary not available yet

- 'Women are most under-represented in management in the Eastern Cape (21%)'
- 'In the year 2000 Africans made up 53.18% of all terminations; Coloureds, 13.74%; Asians, 4.06%; Whites, 29.02%'
- 'one per cent representation of workers with disabilities in all occupational levels'.

One can infer from these statistics that much work still has to be done by organisations to achieve employment equity.

3.2.8 DISCRIMINATION

Discrimination at the workplace arises when an employer treats employees differently for reasons that are not related to their work, for example, 'race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth'.⁵⁸ Discrimination based on race, gender and disability was discussed in the previous chapter, but reference still has to be made to sexual harassment and negative issues around language, which unfortunately is still a discriminatory practice in some organisations.

The Code of Good Practice on the handling of sexual harassment defines sexual harassment as follows:⁵⁹

' [1] Sexual harassment is unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual.

[2] Sexual attention becomes sexual harassment if:

- [a] the behaviour is persisted in, although a single incident of harassment can constitute sexual harassment; and/or
- [b] the recipient has made it clear that the behaviour is considered offensive; and/or
- [c] the perpetrator should have known that the behaviour is regarded as unacceptable'.

⁵⁸ Section 6(1) of the Employment Equity Act

⁵⁹ Tinarelli S, 2000:pp.139-140

South Africa has eleven official languages but unfortunately, the vernacular of the majority of South Africans was not recognised during the apartheid regime. Previously, the languages of communication in most organisations were English and Afrikaans. Owing to inaccessibility of education, some minority groups were not communicated with in the language that they understood best, nor were they presented with an opportunity to express themselves in that language. Many organisations have developed language policies in line with the South African Constitution. Traditional policies of bilingualism should be built on and proceed towards multilingualism. Being able to communicate in the language one knows best contributes to an employee's satisfaction with an organisation.

3.2.9 EXTERNAL ENVIRONMENTAL FACTORS

The rapidly changing global economy with its characteristic delivery of products and services in real-time, has created a dynamic economic environment which has impacted on all aspects of working life. Entwined with legislative intervention, the socio-economic conditions in South Africa are under immense pressure to improve, so that the quality of life can become better for all South Africans. External factors are unpredictable and can originate from economical, legislative, regional and personal levels.

Employees' perceptions of the above factors not only contribute to their satisfaction with the organisation, but are also influential in determining their tenure with the organisation. In the next section, a tool to facilitate employee retention will be discussed.

3.3 TOOLS THAT FACILITATE EMPLOYEE RETENTION

Resigning is a behaviour that an employee engages in because of various perceptions he or she holds of the organisation. Considering that recruiting the right person for the job is a costly, time-consuming and difficult exercise, retaining that person is probably the most important issue facing organisations today. It is essential for organisations to embark on strategies that will assist management to detect employee problems, or organisational events that may reduce employee turnover.

3.3.1 EXIT INTERVIEW

An extensive literature study reveals that an exit interview is an effective tool for evaluating retention efforts, because it encompasses the overall impressions and experiences of the exiting employee during his or her time with the organisation⁶⁰. Fields (2002:85) suggest that exit interviews will not only reveal what needs to be changed but also what is working well. They also explore the various aspects of organisational culture that affect exiting employees' perceptions of fairness and equity⁶¹. Interpersonal relations appear to be a very strong influence on the length of an employee's tenure with an organisation. Employees tend to think of their relationships with supervisors and co-workers when they evaluate the effectiveness of organisational practices.

The objective of the exit interview is to solicit employees' comments about their work experience at the organisation and their reasons for leaving. Employees who are leaving may not want to burn bridges, so the danger exists that some employees might not be candid in their responses⁶². Some organisations feel that outsourcing the exit interview function could remedy this problem, as employees could relate their experiences more frankly to a third party. Nobscot Corporation⁶³ suggests online exit interviewing because:

- 'It takes only minutes per interview to enable the system,
- It provides an environment where employees are more comfortable to give honest feedback,
- It automatically tabulates data by company and department, and can pin-point where the successes/problems are happening.'

This practice parallels the effective use of technology in business practices. An automated exit interview can never replace the face-to-face interview completely. The traditional setting provides an opportunity for discussing delicate nuances, gaining a sense of closure, and communicating the respect and gratitude that only human interaction can convey. As a personal and voluntary action, responding to an automated exit interview eliminates the potential for feeling coerced into answering sensitive questions by another person, and may help participants be completely frank with their responses by providing an atmosphere that is unmonitored and non-threatening. 'The departing employees' responses are

⁶⁰ (<http://ehostvgw8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=43&booleanTE>)

⁶¹ (<http://ehostvgw8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=43&booleanTE>

⁶² (<http://www1.ewin.com/ewin/articles/exit.htm>

⁶³ (<http://www.nobscot.com/about/faq.cfm>)

presented as statistics that quickly confer their perspective to a level of management that can plan strategic retention initiatives and track the ongoing success or failure of those initiatives'⁶⁴.

However, if exit interviews are conducted with spontaneity and anonymity, and the organisation actually utilises the information provided, the employee's perception that his/her opinion is valued, will be reinforced.

Literature on exit interviews as an employee retention tool suggests that '70% of the information received from such feedback identifies improvements that can benefit an organisation'. These include streamlined processes, new product ideas, suggestions for improved productivity, and ways to enhance management effectiveness'⁶⁵.

3.4 CONCLUSION

Gubman (1998) suggests that employees should be aligned to the overall business strategy of the organisation; engaged in what the organisation is trying to achieve and measured against what they are doing and provided with the necessary feedback. Aligning them tells them what to do and allows them to understand the reasons why they should do it. Engaging them assists them to experience their work with more commitment. Employees need to know how they are performing and constantly require feedback on their level of contribution. Engaged talent is thus an organisation's principal source for creating and maintaining a competitive advantage. Engaged employees are the key to an organisation having devoted customers, sustainable growth, increased profitability, and enhanced shareholder value.

Margie Sutherland and Lisa Kinnear⁶⁶ suggest that South African organisations can learn from American practices in employee retention, but that due consideration should be given to the unique needs and constraints of the South African environment. It is thus essential that any research on employee retention issues should give a clear indication of what inspires employees, so that it can be determined what strategies are needed to retain them.

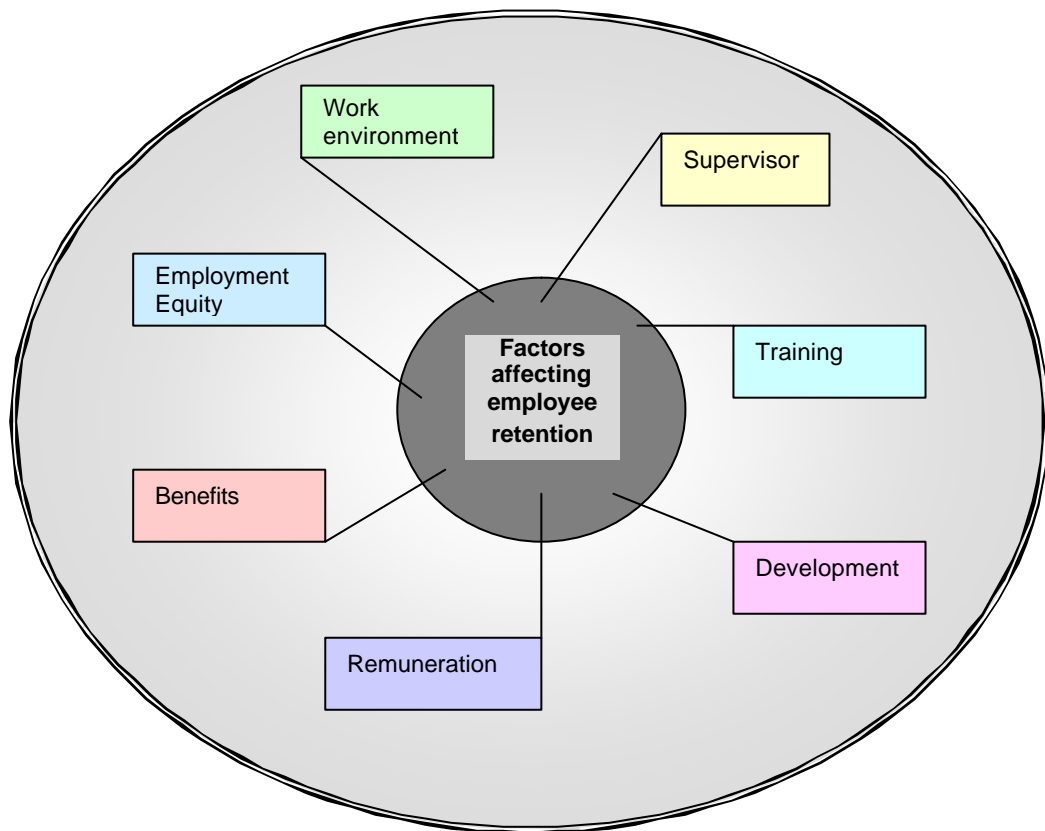
⁶⁴ <http://www3.hr.com/HRcom/index.cfm/124/91F1F4DC-01F3-11D5-9ABA009027E0248F?ost=feature>

⁶⁵ <http://ehostvow8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=14boolean>

⁶⁶ Kinnear L & Sutherland, M. 2001

This study has been conducted on the above premises and with due consideration of South African legislation regarding employees. The importance of human capital is emphasised as well as factors which play a role in employee retention. Instead of an in-depth focus on one factor, the researcher opted to conduct a literature study embracing all factors (indicators) that affect employee retention and extracted those that are intuitively known in the international market. The model below (Figure 3) indicates the selected factors for this study.

Figure 3: Factors affecting employee retention



The methodological approach, and the presentation and discussion of the findings are presented in the next section.

SECTION B
QUANTITATIVE AND QUALITATIVE ANALYSIS

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

It is no longer enough to do the right thing, but we must also do things right. It is no longer sufficient to be a place where people work – the workplace itself must be built around the people and give them the support they need⁶⁷

-Mel Cappe (1999)

The perspective of the Draft White Paper on Higher Education⁶⁸ is that 'higher education plays a central role in the social, cultural and economic development of modern societies. In South Africa today the challenge is to redress past inequalities and to transform education to serve a new social order, to meet pressing social needs and to respond to new realities and opportunities. It must lay the foundations for the development of a learning society which can stimulate, direct and mobilise the creative and intellectual energies of all the people towards meeting the challenge of reconstruction and development'.

Tertiary institutions have not been left untouched by the drive to remain or become globally competitive, and have subsequently undergone fundamental restructuring in their business processes. Entwined in this restructuring in South Africa, is the Employment Equity Act, No 55 of 1998 that requires all employers to eliminate unfair discrimination in employment policies and practices, in order to redress the disadvantages in employment experienced by people from designated groups. This marriage of global competitiveness and appropriate employment policies and practices has become a major challenge for tertiary institutions in South Africa. Why is it such a major challenge?

The most dramatic aspect of the rapidly changing world we work and live in has been the realisation of the intangible economic value of human capital and how that translates into fundamental business policies and practices to attract, develop and retain human capital (McCormick, 2000). This research is an empirical study and analysis of the perceptions of ex-employees of UPE against

⁶⁷ Barnardo, C. 2001:138

⁶⁸ <http://www.saqa.org.za/publications/white-papers/highed.html:page1>

internationally indicated employee-retention issues and the effect these perceptions had on their tenure with the organisation. It culminates in recommendations towards the development of an employee retention strategy for UPE, which could simultaneously facilitate the realisation of its Employment Equity Plan.

4.2 OBJECTIVES

The study seeks primarily to contribute new and detailed information on employee retention as an aspect of human capital management at UPE, and its secondary utilisation as an instrument to realise an Employment Equity Plan.

The objectives of the study were:

- To provide critical insight into why employees are resigning from the University of Port Elizabeth (UPE).
- To determine the social and developmental expectations of ex-UPE employees while in a transforming organisation.
- To identify and analyse ex-employees' perceptions of the implementation of UPE's Employment Equity Plan.
- To analyse ex-employees' perceptions of existing retention practices at UPE.
- To provide recommendations towards the development of an employee-retention strategy for UPE.

It is hoped that this study will be useful for future management policy planning and practices at UPE pertaining to retaining employees. For example, the Employment Equity Plan expires at the end of 2002, and from 2000 to 2002 the Plan identified the lack of employee-retention measures and the inability to retain equity staff as barriers to realising employment-equity goals⁶⁹.

4.3 METHODOLOGY

The study is both exploratory and descriptive. It is exploratory in nature because it will provide insight into why employees have resigned from UPE. It is descriptive in that the researcher attempts to describe why employees have resigned

⁶⁹ Employment Equity Reports to DoL: 2000 and 20001

(behaviour) relative to various factors, which have been identified as contributing to resignation. The approach of the study is predominantly quantitative in nature with limited qualitative inferences made from quantitative data. In most instances, quantitative data will be presented in tabular form with the support of figures. Qualitative findings will be presented in descriptive format before or after the Table or Figure to analyse the quantitative findings. The answers to open-ended questions will be provided as verbatim quotes with names and departments omitted in order to ensure confidentiality. These quotations will be indented and in a smaller font.

4.3.1 QUANTITATIVE RESEARCH METHOD

The survey instrument, administered as a mailed and e-mailed questionnaire, was selected as the most suitable research method because respondents are globally dispersed. What is significant about this method is that all respondents received the same stimuli and the possible 'contaminatory' influence of a researcher was eliminated (De Vos, 2002).

UPE's Employment Equity Plan and Employment Equity Reports for 2000, 2001, and 2002, to the Department of Labour, were obtained from the Human Resources Director, as well as a report on exit interviews that was submitted to the vice-chancellor.

4.3.2 QUALITATIVE RESEARCH METHOD

Content analysis was selected as the most appropriate technique to produce findings. The symbolic interactionist perspective, namely that 'humans perceive and interact in reality through the use of symbols' (Berg, 1995:31), influenced the selection of this approach. By adopting such an approach, a researcher can capture the intrinsic value of the data collected and fully analyse the effect that various workplace issues have on an employee's behaviour, that is, to stay or leave the organisation.

This researcher, an employee of the organisation being studied, was deliberately aware of her own feelings and attitudes, and attempted to remain value-free in her comprehensive assessment of the feelings, thoughts and experiences of the respondents.

4.3.3 SAMPLE COMPILATION

The University of Port Elizabeth is an organisation that can be classified as a higher education institution. The Government Gazette⁷⁰ defines a higher education institution as 'any institution that provides higher education on a full-time, part-time or distance basis'. Higher education will include all qualifications, which fall between levels 5 to 8 on the National Qualifications Framework (NQF).

Employees at UPE occupy various positions and are classified into various categories because of the nature of UPE's business and legislative necessity. For the purpose of this research, the following positions and categories will be referred to

- *Academics*, who according to the Government Gazette⁷¹ are defined as 'any person appointed to teach or to do research at a public higher education institution and any other employee designated as such by the council of that institution'. These employees could occupy the status of junior lecturer, lecturer, senior lecturer, associate professor or professor.
- *Non-academics*, refers to all employees who are not appointed to teach or do research at the institutions. The functions of non-academics are predominantly administrative in nature and range across all levels of employment. These employees could occupy the status of service worker, technical service worker, administrator, senior and middle management or executive management. Senior academic employees could occupy a position in executive management as well.
- *Blacks* refers to all employees who are African in descent and excludes coloureds and Asians.
- *Whites* refers to all employees who have been classified as white by the previous government.
- *Coloureds* refers to all employees who were classified as coloured by the apartheid racial classification system.
- *Females* refers to all employees who are biologically classified as women.
- *Males* refers to all employees who are biologically classified as men.

The population for this research was drawn from ex-employees of UPE.

⁷⁰ Government Gazette. Cape Town, December 1997 No. 18515. Vol.390: page 8.point (xiv)

⁷¹ Government Gazette. Cape Town, December 1997 No. 18515. Vol.390: page 6.point (i)

According to Bless in De Vos (2002:198), a population is 'the set of elements that the research focuses on and to which the obtained results should be generalised'. One could argue that the population for this study should comprise existing permanent employees AND ex-employees of UPE, as it is envisaged that the findings will assist management to retain existing employees. The literature study on employee retention does indicate that a study of this nature can be conducted on existing employees as an employee-satisfaction survey, the results of which could help to retain staff. However, the researcher preferred, for purposes of this study, to define ex-employees of UPE as the population for the study, which, unconventionally, is the research sample as well. This use of non-probability purposive sampling is justified by Singleton *et al.*'s, (1988:153) definition in DeVos (2000:207) as 'a sample that is based entirely on the judgement of the researcher in that it is composed of elements that contain the most characteristic, representative or typical attributes of the population', which in this study is that the sample consists of everyone who resigned from UPE from 2000 to 2002. While Bailey (1987:94) in Jung (2001) views this as a legitimate way of selecting samples, he does caution that 'investigators cannot claim that his or her sample is representative of the larger population' which, in this study, would be 69 ex-employees of UPE. The researcher however indicates the degree of representivity of the sample to the population in the initial data analysis. The research population for this study thus comprises 69 (N) ex-employees of UPE permanently employed by the university, who resigned between 01 January 2000 and 31 October 2002. The reason for the selection of the period 2000 to 2002 is that it coincides with the timeframe for the implementation of the Employment Equity Plan.

The researcher compiled a table informing the names, nature of appointment, occupational category, department employed in, race, gender, and year of resignation of each ex-employee, which she obtained from internal bulletins published at the university over the three-year period. The list was then verified against a similar table obtained from the Human Resources Division. Termination categories like death, dismissal and retrenchment were not considered, only termination of service as a result of resignation.

Departmental secretaries, friends and colleagues of ex-employees were contacted for contact details. Twenty-eight ex-employees were untraceable. The

sample size (n) is thus 41. According to Stoker (1985) in DeVos (2002:201), 41 of 69 (59,4%) is above the acceptable percentage of 52,6%, which he recommends.

Of the 41 ex-employees contacted, one telephonically refused to have anything to do with UPE, and his reasons are recorded in the qualitative report.

Forty questionnaires were distributed as follows:

- e-mailed to 36 ex-employees, 24 of whom responded via e-mail, four responded by post and eight did not respond.
- posted to four respondents. One of these was returned by post.

Six of the respondents who replied via e-mail contacted the researcher telephonically to expand on their e-mailed contributions. These responses were recorded by the researcher and are included, but not highlighted, in the qualitative report. The remaining 11 ex-employees who did not return the questionnaire, provided no reasons for not responding. Thus, in total 29 ex-employees participated in the survey via the instrument planned for this purpose. The inclusion in this study of the perceptions of the ex-employee who refused to partake in the survey in its prescribed format, but who rather provided his perceptions telephonically, brings the total to 30 respondents, representing a 73% return of the sample.

Eight of the thirty respondents were dispersed across three continents other than Africa, and the remaining 22 were spread throughout South Africa.

4.4 QUESTIONNAIRE DESIGN

A six-page questionnaire (see Appendix B) was divided into thematic categories to systematise the questions, which would facilitate the respondents' understanding of the issues and enable a comprehensive probing of certain topics. The questionnaire was structured as follows:

- I. BIOGRAPHICAL INFORMATION
- II. RETENTION ISSUES
- A Perception of work-related issues at UPE:
 - Work Environment
 - Direct Supervisor/Manager
 - Training and Development
 - Remuneration and Benefits
- B Positive and negative aspects of working at UPE

- C Employment Equity
- D Reasons for leaving
- E Exit Process

The questionnaire was developed against international indicators of best practices in employee retention, and consisted of items that drew extensively from the literature study presented in previous chapters.

4.5 ADMINISTRATION OF QUESTIONNAIRE

In order to create a successful study, a pilot study was conducted in July to refine the research process, wording, structure and length of the questionnaire. The first eight respondents, whose contact details were obtained by the researcher, were taken through the whole planned research process to test whether its elements would function as planned. One of the improvements was to increase the number of lines for responses to open-ended questions on the questionnaire. Three respondents also requested the researcher to give different subject headings on her e-mails and attachments, requesting participation in the study, to avoid a computer virus using a similar method of sending attachments to that of the researcher!

In August, a letter introducing the research and requesting participation, was sent to the selected sample. The research was conducted until 30 November 2002. Reminders to respondents were sent out within three days after the initial e-mail.

The 29 respondents willingly completed the questionnaire, and no queries about misunderstanding of questions were received. Sixteen respondents indicated that they would like the outcome of the survey to be communicated to them. One respondent requested permission to modify the questionnaire for use in another organisation.

4.6 DATA ANALYSIS

The researcher used univariate (analysis of one variable) and bivariate (analysis of two variables) analysis with a view to describing the variables. This means that all the data gathered on one or two variables in some instances, was summarised for easy understanding and display. These summaries were, in most instances, exhibited as a tabular or graphic display. In order to ascertain the statistical

significance of the above results, the relationships between these variables were measured using the Pearson Chi-square and M-L Chi-square inferential statistical techniques. A content analysis was conducted for all qualitative responses to open-ended questions, and inferred from quantitative data. In order to bring the data to a manageable and understandable format, the researcher entered the data from the completed questionnaires onto spreadsheets, from which statistics were derived, evaluated, and manually analysed.

For the qualitative analysis, the process involved in qualitative analysis as described by Hyatt (1986), was used as a guide:

- i. The data was systematised in order to familiarise the researcher with the content of all the data collected.
- ii. Themes were identified to contextualise the findings.
- iii. Data was then summarised according to the identified themes, and findings were inferred. Where appropriate, quotes were used to support findings.
- iv. Conclusions that clarified the research objectives were drawn from the findings.

However, because of the value which these findings would provide to the university management, the researcher deviated slightly from Hyatt's method by including most of the responses of respondents and grouping them thematically. The researcher considered it likely that providing an idea of the number of responses that could be grouped together within the same thematic category, would further serve to support the deductions made from the data.

Data in certain sections of Part II of the questionnaire was analysed using the mean scores allocated to certain perceptions. In some instances, respondents had to select, from five different perceptions, the one which best described their perception. Reid and Smith (1981:249-250) in De Vos (2002:236) states that 'the mean is the most stable and versatile of measures of central tendency which specifies the centre of gravity or balance point of the distribution.'

The recommendations for the development of an employee-retention strategy at UPE were based on the conclusions.

4.7 LIMITATIONS OF THE STUDY

Employee retention is too vast a topic for a single treatise to cover. This study was confined to a tertiary institution at the forefront of transformation in South Africa. However, one must bear in mind that an organisation's ability to retain staff is also greatly shaped by local factors, such as legislation and the economic environment prevalent in the region and country. The results can by no means claim generalisability to other tertiary institutions in the region or country.

UPE will merge with the Port Elizabeth campus of Vista University on 01 January 2004 and with the Port Elizabeth Technikon on 01 January 2005 to form a new comprehensive tertiary institution. The effect of the pending merger on ex-employee perceptions was 'implied' and 'not direct' in one question, and its impact is thus inconclusive.

Another limitation of the study is that the data-gathering process was not standardised. Of the respondents who received the questionnaire via e-mail, four responded by post and six who had already responded by e-mail, contacted the researcher telephonically to further expand on their perceptions. The researcher had no control over this manner of response, as she never requested the respondents to respond only via the communication method that the questionnaire was sent to them. The researcher is listing this as a limitation because it became evident from the responses that respondents who replied via e-mail appeared to not be restricted by space on the questionnaire, and wrote paragraphs, whilst those who replied by post, with the exception of one person, adhered to the space provided.

The data obtained from the respondents is presented and discussed in the next chapter, according to the various themes as structured in the questionnaire.

CHAPTER 5

PRESENTATION AND DISCUSSION OF FINDINGS

5.1 INTRODUCTION

In this chapter, data obtained from the questionnaires is analysed according to the data analysis process referred to in Chapter 4. It is presented in terms of the principal themes according to which the questionnaire was designed. Responses to open-ended questions, some of which were at the end of each theme on the questionnaire, are used to support a point being made. Where appropriate, and respondents are quoted; these remarks are indented and put into smaller print. Please note that the majority of responses from these open-ended questions are provided in order to give a clear picture of the perceptions of the ex-employees. For purposes of confidentiality, departments and respondents are not identified.

5.2 PRESENTATION OF FINDINGS

5.2.1 PART I: BIOGRAPHICAL INFORMATION

Part I of the questionnaire contained questions regarding the biographical details of ex-employees of UPE. Employees at UPE could occupy either an academic or a non-academic position and, because of the current legislative climate, be classified as black, white, coloured or Asian, and obviously be either male or female. Table 6 below displays the biographical details of the 30 respondents who took part in the research, according to race, gender and occupational position.

Table 6: Biographical classification of ex-employees

RACE	Black (n=5) 17%		White (n=19) 63%		Coloured (n=6) 20%		Asian (n=0) 0%	
GENDER	F	M	F	M	F	M	F	M
F (n=15)	1	4	10	9	4	2	0	0
M (n=15)	3.3%	13.3%	33.3%	30%	13.3%	6.7%	0%	0%
ACADEMICS (n=16)	0	3	6	5	1	1	0	0
NON- ACADEMICS (n=14)	7.1%	7.1%	28.6%	28.6%	21.4%	7.1%	0%	0%

5.2.1.1 Race

In order to demonstrate the degree of representativeness of the sample (n=30) to the population [N=69], 59,4% of the population were white compared to 63% of the sample; 23.2% were coloured compared to 20% of the sample; 17.4% were black compared to 17% of the sample, and 0% are Asian in both the sample and population. The researcher thus concludes that generalisations drawn about staff retention issues from the perspective of various racial groups of the sample are significantly representative of the population.

Sixty three per cent of the respondents were white, 20% were coloured and 17%, black. From the sample it can be concluded that whites tendered the most resignations and blacks the least.

5.2.1.2 Gender

In order to demonstrate the degree of representativeness of the sample (n=30) to the population [N=69], 48% of the population were male compared to 50% of the sample, and 52% were female compared to 50% of the sample. The researcher thus concludes that generalisations drawn about staff retention issues from a gender perspective of the sample, are significantly representative of the population.

Fifty per cent of the respondents were male and 50% female. From the sample it can be concluded that an equal number of males and females tendered their resignations from 2000 to the end of October 2002.

5.2.1.3 Occupational position⁷²

In order to demonstrate the degree of representativeness of the sample (n=30) to the population (N=69), 44% of the population were academics compared to 53.3% of the sample, and 56% were non-academics compared to 46.7% of the sample. Therefore, the researcher would report staff retention issues from the perspective of the occupational positions of respondents, namely academics and non-academics, even though the degree of representativeness was lower than that of the race and gender perspectives.

⁷² Occupational position could be either academic or non-academic

Fifty three per cent (53.3%) of the respondents were academics and 46.7%, non-academics. From the sample it can be concluded that more academics than non-academics tendered their resignations, even though the population indicated the reverse.

The resignation statistics as indicated in Table 6, are interpreted as follows:

Academics

- 37,5% are white females, 31.25% are white males, 18.75% are black males, 6.25% are coloured females, 6.25% are coloured males, and 0% are black females.
- White females have the highest resignation percentage, followed by white males and then black males.
- Coloured male and female academics have an equal resignation percentage.
- No black female academics were in the sample.

Non-Academics

- 28.6% are white females, 28.6% are white males, 21.4% are coloured females, 7.1% are black females, 7.1% are black males, and 7.1% are coloured males.
- White females and white males have the highest and equal resignation percentage, followed by coloured females.
- Black females, black males and coloured males have the lowest and equal resignation percentage in the non-academic staff group.

The ranking of resignations, from the *most to the least*, within the academic and non-academic occupational positions, which was explained above, is illustrated in Table 7 below:

Table 7: Ranking of resignations per occupational category

RANKING ORDER	ACADEMICS	NON-ACADEMICS
1 ST	White females	White females White males
2 ND	White males	Coloured females
3 RD	Black males	Black females Black males Coloured males
4 TH	Coloured females Coloured males	
5 TH	Black females	

One can thus conclude that:

- the highest number of resignations were received from white female academics, white female non-academics and white male non-academics;
- the lowest number of resignations were received from black female academics, black female non-academics, black male non-academics, and coloured male non-academics.

UPE claimed that its ‘inability to retain equity staff’⁷³ was an obstacle to achieving its employment equity goals and objectives. ‘Equity staff’ refers to persons from designated groups, namely, ‘black people, women and people with disabilities’⁷⁴. From the sample, one can conclude that the resignations of firstly white females, then coloured females, then black males, then coloured males and then black females, all of whom are classified as belonging to designated groups in the Employment Equity Act, and who would thus contribute to the university’s numerical equity goals, are in rank order, from the most to the least, proof of UPE’s inability to retain equity staff.

5.2.1.4 Staff turnover related to university population

‘Low overall staff turnover’⁷⁵ was also cited as a barrier to achieving the numerical employment equity goals at UPE. As previously mentioned, the number of ex-employees are the population for this research, and this population excludes employees who were still in the employ of UPE from 2000 to 2002. However, it is

⁷³ Employment Equity report: 2000 and 2001: pages 22

⁷⁴ www.labour.gov.za/docs/legislation/eea/act98-055.html

⁷⁵ Employment Equity report: 2000 and 2001: page 22

necessary to have a point of reference for existing employees during these time frames if a true picture of staff turnover is to be sketched. The work-force profile in the Employment Equity Reports for 2000 and 2001 to the Department of Labour (DoL) indicated the total number of permanent employees to be 770 in the year 2000, 760 in 2001, and 680 as at 31 October 2002. Of these, 3.5% (27) resigned in 2000, 2.5% (19) in 2001 and 3.4% (23) by 31 October 2002. As reported to the DoL, an overall low staff turnover existed at UPE. (These figures reflect only staff turnover as a result of resignation, and do not consider other termination categories like death, dismissals and retrenchment).

5.2.1.5 Year

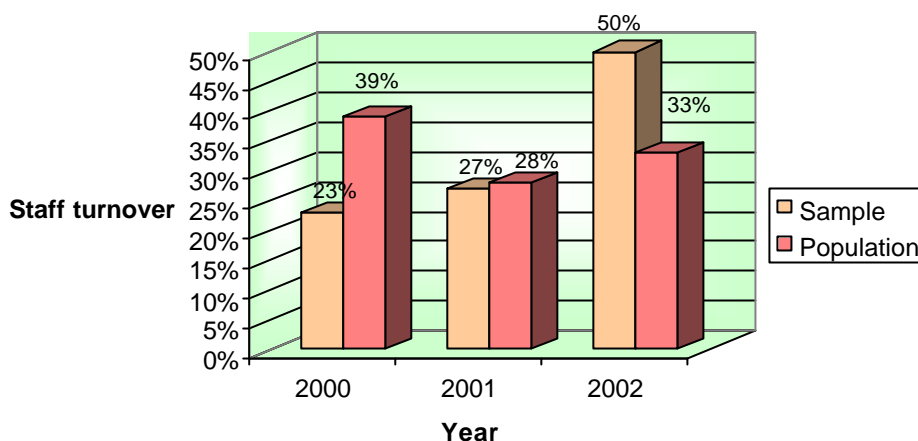
Table 8 represents a detailed report of the resignation details of the sample according to race, gender, and occupational position, with specific reference to the year in which they resigned. It reflects that 23% of the sample resigned in 2000, 27% resigned in 2001 and 50% resigned in 2002.

Table 8: Resignation details per year

	2000		2001		2002	
	AC	NON-AC	AC	NON-AC	AC	NON-AC
Black female (n=1)	0	0	0	1	0	0
Black male (n=4)	0	0	2	1	1	0
White female (n=10)	3	1	0	1	3	2
White male (n=9)	1	1	1	1	3	2
Coloured female (n=4)	0	1	0	1	1	1
Coloured male (n=2)	0	0	0	0	1	1
n=30	4	3	3	5	9	6
Staff turnover: sample (n=30)	7 (23%)		8 (27%)		15 (50%)	

Figure 4 below is a graphical representation of the staff turnover analysis of the sample and population per year. An increase in staff turnover per year is apparent from the sample (n=30), with a very significant increase of 85% between 2001 and 2002.

Figure 4: Resignation analysis of sample and population per year (n=30; N=69)



The above results (for the sample) should cause any organisation to investigate factors which could be causing this upward trend in resignations per year. According to Fields (2002:195), these factors could include any of the following:

- 'employee dissatisfaction
- moves to get better pay
- or better job opportunities
- population growth can't keep pace with job growth
- fierce competition that exists for top talent across and between industries'

However, these statistics were concluded from the sample (n=30) and not the population [N=69]. In order to present an accurate reflection of resignations per year according to the population, an analysis of the percentage of resignations in the population is imperative. As also reflected in Figure 4, of the population, 39.1% (27) resigned in 2000, 28% (19) in 2001, and 33% (23) by 31 October 2002. It can therefore be concluded that, even though the sample indicated a dynamic increase in resignations per year, the population indicated a low staff turnover over the three-year period, with a downward trend from 2000 to 2001, and an upward trend from 2001 to 2002.

5.2.1.6 Occupational category⁷⁶

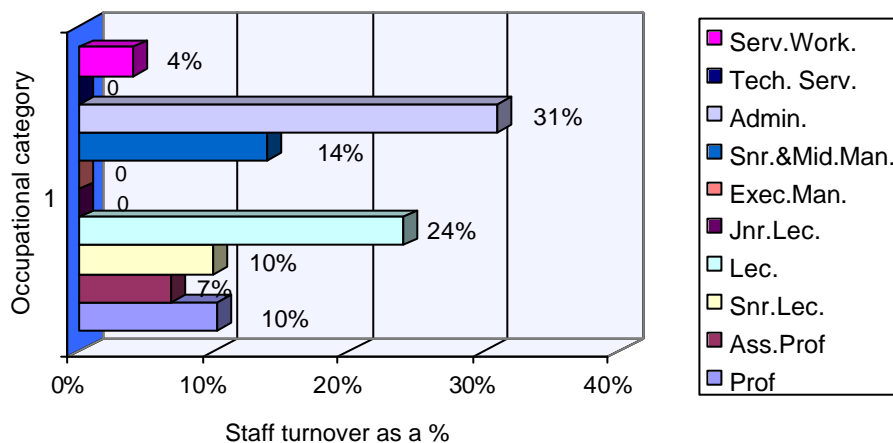
Figure 5 shows the percentage of resignations per occupational category. It can be concluded that the highest percentage of resignations, 31%, were received

⁷⁶ Various categories into which academic and non-academic staff are grouped

from Administrative staff; second highest (24%) from Lecturers; third highest (14%) from Senior and Middle Management; fourth highest (10% each) from Senior Lecturers and Professors; second least (7%) from Associate Professors, and the least (4%) from Service Workers. In the sample, no permanent staff member had resigned from Technical Services, Executive Management or a Junior Lecturer position.

One can thus conclude that more non-academic staff are leaving UPE than academic staff.

Figure 5: Resignations per occupational category (n=29)



5.2.1.7 Age

For this analysis, the size of the sample was 29, as the white male academic who refused to partake in the research did not disclose his age. Figure 6 illustrates that 48% of the respondents were 26-35 years of age, 45% were 36-45 years, 3,5% were 25 years and younger, and 3.5% were 46 years and older.

It can be concluded that 93% of the employees who resigned were 26-45 years of age. Three and a half per cent were 46 years and older. According to Robbins (1998), studies based on the age-turnover relationship reveal that the older an employee becomes, the less likely he or she is to resign. An older employee has fewer job opportunities than a younger worker. According to a report prepared for the American Association of Retired Persons by DYG, Inc., in

1995, employers perceive that older workers bring elements like experience, a good sense of judgement, strong work ethics and a commitment to quality, to their jobs. However, there is also the perception that they lack flexibility, especially by resisting new technology⁷⁷. This is particularly harmful to current global business practices which are driven by the use of technology. Armstrong (1995) holds a similar view by suggesting that as employees grow older, apart from the decline in their physical condition, there is an inclination for them to become less flexible. He adds, however, that it is incorrect to assume that the evolution to becoming inflexible is inevitable, as older workers can be just as conscientious and determined to learn as their younger colleagues. Kalleberg and Loscocco in Armstrong (1995:137) conducted a study in 1983 in which they discovered that older people are generally more satisfied with their jobs. This could be attributed to more rewarding and higher status positions which older employees occupy in organisations; and to the fact that their 'attainments and aspirations have come closer together'. In the work environment in Germany⁷⁸, age determines seniority within the organisation. Older workers receive better benefits and greater assistance in completing their daily tasks. Further research indicates that satisfaction with work tends to increase with age, but that there is a decline in satisfaction in the 40-50 years age group⁷⁹.

Fields (2002:31) states that, because of the changing nature of work, 'some experts predict that employees may have as many as six careers and fifteen different jobs in a career lifetime. This means that employees need to constantly update their skills, learn new ones and be flexible'. It can thus be concluded that workers between the ages of 26-35 years of age generally have not satisfied all their needs yet, and are flexible enough to face the challenges of the new world of work. Employees between the ages of 35-45 may be more experienced than employees in the 26-35 year age group, and still be in search of self-actualising some of their needs. The age of an employee thus contributes to his or her understanding of the position of his or her career timetable, and employees use this timetable to decide whether their own careers are on or off schedule. Age, though not specified as a factor which contributes to the length of tenure that an

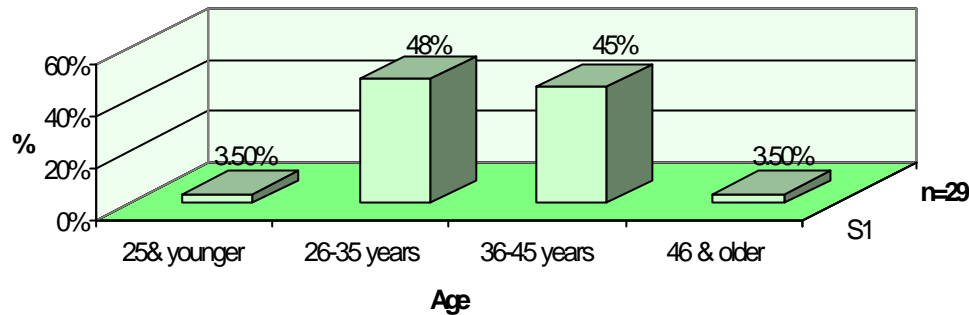
⁷⁷ 'American Business and Older Workers: A road map to the 21st Century'

⁷⁸ Francesco, AM et al, 1998:125

⁷⁹ Armstrong, M. 1995

employee has with an organisation, does have some relevance to an employee considering whether to stay or leave.

Figure 6: Resignation analysis according to age



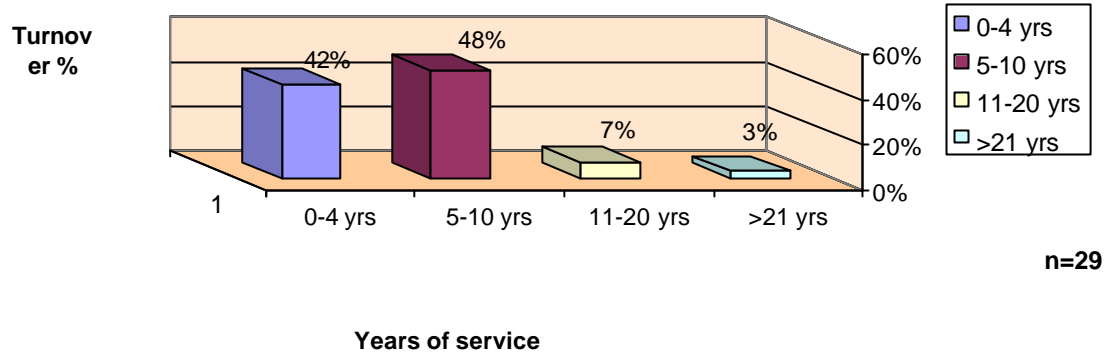
5.2.1.8 Length of tenure with the organisation

Figure 7 below illustrates that 48% of the sample had been employed at UPE for 5-10 years when they resigned; this group is costly in terms of loss of knowledge. Forty two per cent had been employed for 0-4 years; this group represents a high cost to the organisation in terms of recruitment. 100% of this group was between the ages of 26-45 years while 42% occupied academic positions. Seven per cent had been employed for 11-20 years and 3% had been employed for more than 21 years. It can be concluded that 90% of resignations took place between a zero- and ten-year tenure period.

This once again ties in with the prediction that employees in the 21st century may have as many as 'six careers and fifteen different jobs in a career lifetime'⁸⁰. Considering that ideally a graduate could commence work at approximately the age of 22, he or she would have to let their length of tenure with an organisation range between zero and ten years if they wish to embark on having extensive careers and hold various positions in their career lifetime.

⁸⁰ Fields, MRA. 2002:31

Figure 7: Length of tenure with the organisation



5.2.2 PART II: RETENTION ISSUES

The purpose of Part II, which is divided into five sections, was to establish ex-employees' perceptions of various issues which, according to international best practices in employee retention, affect an employee's tenure with an organisation.

These five sections are:

5.2.2.1 A Perception of work-related issues at UPE:

- [1] Work Environment
- [2] Direct Supervisor/Manager
- [3] Training and Development
- [4] Remuneration and Benefits

5.2.2.2 B Positive and negative aspects of working at UPE

5.2.2.3 C Employment Equity at UPE

5.2.2.4 D Reasons for leaving

5.2.2.5 E Exit Process

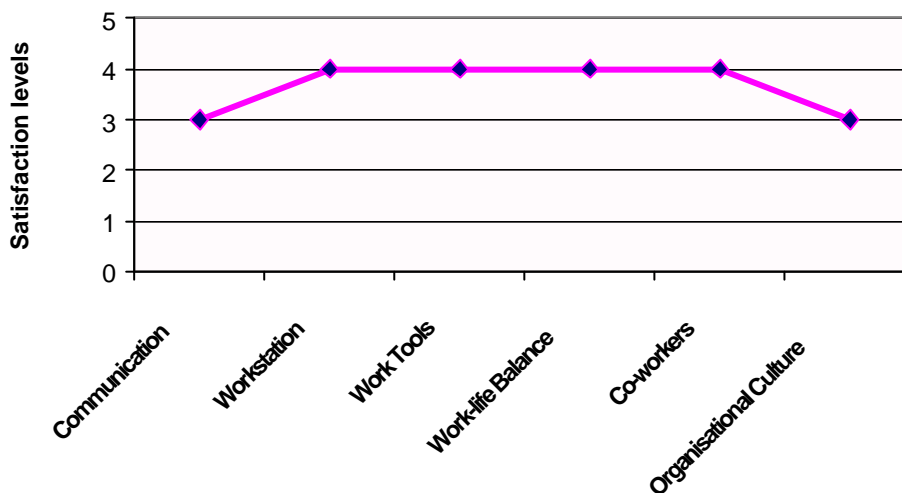
In certain sections, the mean was used from which to analyse data.

5.2.2.1 A: Perception of work-related issues.

In this section, employees had to indicate how satisfied they were with various aspects of their work environment, direct supervisor/manager, training and development, and remuneration and benefits.

[1] *Work Environment*. This part of the questionnaire was divided into a Likert Scale, and ex-employees had to indicate their perceptions of the work environment with regard to UPE's manner of communicating with them, their workstation, their work tools, the opportunities to balance their work and personal life activities, and the organisational culture. All respondents completed this part of the questionnaire. The mean satisfaction level per work environment issue was determined, and is illustrated in Figure 8 below:

Figure 8: Satisfaction with work environment (n=29)



Ex-employees felt neither satisfied nor dissatisfied with UPE's manner of communicating with them, and with its organisational culture. They were fairly satisfied with their workstations, work tools, opportunities to balance their work and personal-life activities and their relationships with co-workers.

In response to an open-ended question to comment on the organisational culture at UPE, two respondents failed to answer the question. 11% made positive remarks that reflected their sincere enjoyment of the organisational culture at UPE:

'I loved the very unique and diverse group of people at UPE.'

'I love the different cultures at UPE. It taught me a lot about different people. I used to love my work when it was structured and organised because of the interesting cultures.'

'A work environment is to a large extent what you make of it. UPE provided me with excellent opportunities to develop my career and interpersonal skills. I experienced its commitment to political and academic transformation during the nineties as honest and consistent.'

'The staff of UPE is friendly and it has a "laid back" way of life. There are obviously pros and cons to this type of life style. For some people it can be good to others it could be frustrating.'

On the other hand, 89% responded with negative comments, some of which are:

'I find that the way of life was still very much "old SA style" where people tend to mix with their own kind. I was aware of the organisational effort to achieve racial harmony at UPE. A stable state had not been reached but the University appears to be moving in the right direction.'

'Maybe the hierarchical structure of the University a bit stuffy and formal – quite normal for academia – compared with a corporate environment that is quite busy and stressful, but less focussed on formalities such as titles.'

'The organisational culture at UPE is overwhelmingly white, Afrikaans and male and leaves much to be desired for persons from historically disadvantaged backgrounds. The conservative character of the organisational culture as well as its structurally rigid if slowly reforming staff profile makes UPE an almost impossible place for persons of culture to work in.'

'There were too many people who were not willing to go the extra mile (i.e. its not on their job description so they won't do it); some staff members in positions that they are not capable of providing the tasks required; staff "stuck" in positions for too many years; a don't care attitude; and very little patience with students who after all are all UPE staff's customers.'

'Contrary to popular belief, a hierarchy DOES exist at UPE. The "flat structure" is a figment of the imagination.'

'I enjoyed working at UPE but found certain areas of the organisational structure (viz upper management) to be set in their ways and not open to change or new ways of thinking of

finding easier or simpler ways of performing tasks (because things were done in a certain manner for the last decade no one could change their mindset.'

'There was in some respects still an old boys network in my time – it took me a long time to be taken seriously. But there are many opportunities now at UPE for women to get involved and make a difference – it is sad that many of them do not take the chances available.'

'While I enjoyed being a lecturer and the university environment, the culture was not one that stimulated one to excel. For instance the fact that during recess the entire academic staffs just disappears, this is not typical of other universities, it is particular to UPE. Academic staff feels that it is a holiday time not a recess. I was also once given a lecture by one of the older professors about working too hard, he said that I was making them look bad and that I should slow down as UPE would just ... me in the end as they had all been ...ed, not the kind of pep talk that motivates anyone. The culture was not typical of that which I had experienced at other universities.'

The positive comments reflect an organisational culture that typifies an environment that stimulates positive working relationships with colleagues.

From the negative statements it can be concluded that the majority of ex-employees did not experience the employee-to-organisation fit that was mentioned in the literature study. One could infer from the contributions that the reason therefore could be attributed to a racial divide which exists between ex-majority and minority groups. Continuous reference to the existence of a hierarchy illustrates one of Trompenaars (1994) typologies associated with organisational culture, namely the Eiffel Tower Culture. This is a 'classic bureaucratic structure which emphasizes a division of labour and coordination through a hierarchy of authority and relies on planning to accomplish its goals. Employees are replaced with the idea of a social role which is a position governed by rules and norms. The source of the status is the role and not personal attributes. Change in such an organisation is usually met with resistance because re-organisation threatens the established culture.'⁸¹

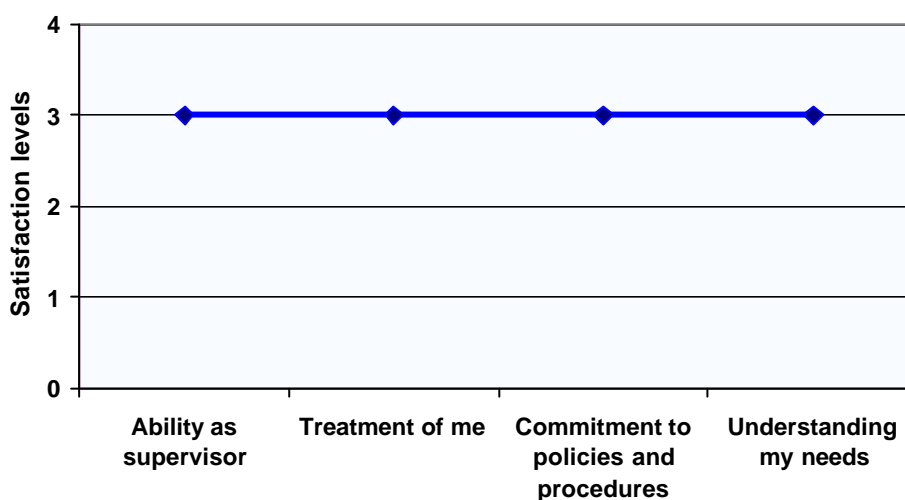
[2] *Direct Supervisor-Manager*. This part of the questionnaire was divided into a Likert Scale, and ex-employees had to indicate their perceptions of their direct supervisor/manager with regard to his or her supervisory ability, treatment of staff,

⁸¹ Francesco, AM & Gold, BA. 1998:136

commitment to carrying out UPE processes and procedures, and his or her understanding of their needs.

All respondents completed this part of the questionnaire. Two respondents, however, failed to comment on their perception of their manager's supervisory ability and his or her commitment to carrying out UPE policies and procedures. The mean satisfaction level of every aspect of their direct supervisor/manager was determined, and is illustrated in Figure 9 below:

Figure 9: Satisfaction with direct supervisor/manager (n=29)



One hundred per cent of the respondents felt neither satisfied nor dissatisfied with their direct supervisors/managers. Respondents were asked to comment about their perceptions of their supervisor's understanding of their needs. 24% failed to respond and 76% made remarks, some of which are given below. Some employees felt that their manager understood their needs and credited them with not only being managers but leaders too. For the purpose of this study a leader is a person who has the ability to create and implement a 'reciprocal, transactional and sometimes transformational process in which cooperating individuals are permitted to motivate others to promote the attainment of group and individual goals.'⁸²

Some ex-employees made the following positive remarks about their supervisors/managers:

⁸² Forsyth, DR. 1999

'My supervisor is an exceptional relaxed and intellectually endowed person.'

'In general, I experienced respect and empathy for my position and needs, particularly as a woman.'

'Sensitive and supportive to personal and career needs.'

'She was always there when I needed a shoulder to lean on personally and spiritually.'

'A leader with strategic initiative ...'

Some perceived that supervisors/managers understood their needs but could not help them to satisfy these needs. Reasons appeared to be elements beyond the control of the manager:

'As mentioned above I believe my needs were understood, however, with the problems facing smaller tertiary institutions I understand that supervisors cannot often address all the needs of staff i.e. capital equipment, journal subscriptions etc. '

'...head of the ...Dept, could understand my needs; he just couldn't do anything about them.'

'He understood why I was unhappy sometimes but because of pressure on him as well, could not assist me to cope with my needs to do my work well.'

On the other hand, some ex-employees made negative remarks, giving the following as reasons for their needs not being understood and ultimately satisfied:

Moodiness and favouritism,

'To be blunt: You had to be the 'flavour of the week/month' before I really got a chance to voice my needs. It the time was not right then you could not mention your needs.'

Personal ambition,

'My immediate manager was there to further her career no matter what.'

... did not understand my needs. I was viewed as a threat. Why? I still don't understand.'

Autocratic leadership styles,

'My manager was a very demanding man. Being off ill from work and leaving him on his own was something he disliked. Had to be at his beck and call all the time.'

'Managed by control – stifled creativity and initiative and personal and career growth.'

'Understood my needs, mostly, but certainly did not understand my stresses. Never gave me credit for having a strong work ethic – remained highly controlling. Also often gave the impression of questioning my integrity and honesty. Not intentional on his part, but nevertheless highly hurtful and demoralising.'

and a lack of leadership skills.

'My supervisor was a very good manager, but a very poor leader of people. His motivational skills and ability to affirm left a lot to be desired, and was a direct result of my seeking greener pasture.'

'A typical HOD has had no formal managerial training; they are then expected to run what amounts to a small company. It must be very frustrating as they can probably see what they would need to do to keep and stimulate staff but are powerless to do anything about it. Most of the older staff members congratulated me on my choice to leave UPE; they all said they don't know why a young person would want to be an academic.'

From these responses it can be concluded that even though ex-employees were neither satisfied nor dissatisfied with their supervisors, most of them felt that their managers did not understand their needs. The reasons cited for this ranged from factors beyond the control of the manager to more serious causes like incompetency and a lack of confidence, trust and respect that ex-employees had for their managers as a result of these perceived incompetencies. One could also infer that ex-employees expected their managers to fulfil a leadership role as well. The autocratic leadership style of some of the managers agrees with the contribution in the literature study by ⁸³Marcus Buckingham and Curt Coffman in their book, *First Break All the Rules* (Simon & Schuster, 1999), when it is suggested that people do not leave organisations – they leave managers. Jack Martin, Vice-President, Human Resources, for Land O'Lakes, Inc., agrees: 'In my experience, the single most important attribute to the retention of high-potential employees is the quality of the manager.'

⁸³ (<http://ehostvqw8.epnet.com/fulltext.asp?resultSetId=R00000000&hitNum=14boolean>)

[3] *Training and Development.* The purpose of this part of the questionnaire was to identify ex-employees' perceptions of training and developmental issues at UPE. The results are presented in Table 9 below:

Table 9: Ex-employees' perceptions of training and developmental issues

	YES	NO	NO RESPONSE	TOTAL
Adequate training (n=29)	48%	52%	0%	100%
Training supports career interests (n=27)	38%	55%	7%	100%
Defined career path (n=29)	24%	76%	0%	100%
Opportunities for advancement (n=28)	31%	66%	3%	100%

As indicated in Table 9 above, 76% of the ex-employees felt that the most significant barrier around training and developmental issues was that career paths were not clearly defined, while 24% felt that they had clear career paths. 66% of the respondents felt that there was a lack of opportunities for advancement in one's career, while 31% felt that they had opportunities for advancement, and 3% did not respond to this question. 55% felt that the training that they received did not support their career interests, while 38% felt that it did support their career interests, and 7% did not respond to this question. 52% felt that the training which they received, was inadequate, while 48% felt that it was adequate. Respondents were requested to comment on why they perceived or did not perceive, that opportunities for advancement existed for them. 90% responded to the question, citing the following barriers to opportunities for advancement:

Lack of succession planning,

'UPE unfortunately has the habit of not promoting from within, once stuck in a direction – nothing is done to promote career development.'

'Opportunities for advancement existed, but one always had a distinct sense of goalposts being shifted, and that the criteria for advancement had more to do with what was perceived to be the interests of the faculty (for which read the best interests of faculty management) than that of the individual. I hasten to add that this was not just my perception, but was the experience of a number of colleagues. right or wrong, this was the perception created.'

Implementation and monitoring of an effective mentoring system,

'Training initiatives too broad and general academics require skills and knowledge upliftment through mentoring and collegial teamwork.'

'Advancement in academia implies that you have expertise in an area. Without structured guidance in research from the time of appointment, you are unable to advance sufficiently in an area, and other avenues are closed because there are already people in higher positions.'

Time constraints,

'Most times you were too busy to take time off to develop yourself.'

and gender disparity.

'I do felt that as a woman I had to work harder to be promoted to professorial.'

'Clear distinction between male and female staff – in my opinion not enough done to promote female staff.'

One could infer from these comments that ex-employees needed opportunities for advancement and clearly defined career paths. Fields (2001) states that it is the responsibility of managers to provide career development opportunities through succession planning and mentoring. Succession planning entails devising a plan that distinguishes an individual who will succeed an employee in a given position. Mentors are people who serve as seasoned advisors to employees and can be implemented as a peer-to-peer or subordinate-to-superior system. The success of the development of a career path depends on the involvement of the employee and their manager. Monitoring of these systems and constant feedback on perceptions of the implementation of the system are imperative to retaining employees.

[4] *Remuneration and benefits*: The purpose of this part of the questionnaire was to establish whether ex-employees were satisfied with their remuneration and benefits packages. As reflected in Table 10, only 38% of ex-employees were satisfied with their salary packages while 62% were satisfied with their benefits packages. Respondents were thus more satisfied with the benefits that they received than with their salaries. Thirty-eight per cent were unaware that merit

bonuses could be granted, while the majority of those who were aware, were dissatisfied with the system for awarding merit bonuses.

Table 10: Satisfaction with remuneration and benefits

	YES	NO	DON'T KNOW
Salary package	38%	62%	
Benefits package	62%	38%	
Merit bonuses	14%	48%	38%
n=29			

From the above it can be concluded that the majority of ex-employees did not feel that they were adequately compensated for the value they were adding to UPE.

5.2.2.2 B: Positive and negative aspects of working at UPE

In response to an open-ended question about what respondents thought to be the most positive feature of their employment at UPE, two respondents failed to answer the question. Of the 27 who responded, most of them found their relationships with co-workers to be the most positive feature:

‘Informal relationships between departments and employees.’

‘Being able to communicate with people and assisting with the communication process.’

‘ I enjoyed the surroundings and people. It was a honour to be a positive part (not directly) in a young persons life.’

‘UPE is a great place to work for. The people I came into contact with – great’

‘The friendliness and the accommodative nature of some of the senior staff in particular our Dean and our Head of Department.’

‘The people were friendly and the scenery provided me with a piece of mind and a sense of calmness, a good thing to have in an environment like that.’

‘The people, undoubtedly. I have developed very good friends at UPE.’

'Enjoyed working with the students, many of the projects I work in, building wonderful relationships with so many administrative and academic staff. I really loved working at UPE, just a pity about question 19.'

'Contact with students from various cultural backgrounds.'

'My colleagues in my department.'

'I enjoyed the interaction with students and staff.'

'The camaraderie of colleagues.'

'The environment and the people I worked with.'

'Friendly atmosphere '

'UPE's employees generally are very friendly and nice to work with'

Some respondents found the following to be positive features of working at UPE:

The nature of their work,

'I did gain wonderful experience with what I did which stood me in good stead in my new career.'

'I loved my work at UPE. I felt that I was contributing to the 'rainbow nation' and believed that if the rest of the country could function as things did within the classroom, then we could make things work. Being a small university, I enjoyed the collegial interaction that was possible.'

'Freedom to teach in a method that I chose and to research what I wanted. Also, the interesting people I met who were also trying to bring about some changes at UPE.'

'The work environment and my role in setting a direction for the programme that I headed.'

'Research exposure - being provided with "free range" to undertake research and attending various conferences. '

'The opportunity to conduct research; equally the support enjoyed by colleagues.'

'I enjoyed the work, especially running the research group. The constant mental stimulation and opportunities to interact with other like minded people. It is the one thing I miss now, in

the business world everything is about business and everyone takes himself or herself so seriously.'

Benefits,

'benefit of free education for yourself and dependants'

and enjoying a work-life balance.

'Flexibility – became involved in numerous other activities e.g. lecturing'

'Flexibility with working with children.'

The above factors were all identified in Fields (2001) as important factors, which could increase an employee's tenure with an organisation.

On the other hand, two respondents provided responses, which reflected a negative perception of a certain aspect of UPE in their responses to this question, which sought positive features:

'Apart from working with students as well as with ...there was nothing positive in a developmental sense about working at UPE as a black person.'

'There was nothing positive about my employment except only getting my off on Friday.'

One could infer that they did not view their positive feature as significant enough, hence their contribution at this part of the questionnaire.

In response to an open-ended question about what respondents thought the most negative aspect of their employment at UPE to be, only one respondent failed to answer the question; 28 cited the following aspects as the most negative features at UPE:

Training and development,

'Lack of development/training and advancement.'

' – the lack of career / staff development'

'I find... fascinating, holding a potentially exciting future. UPE post holds little excitement and certainly no future career.'

'Lack of personal development'

'When I motivated for a promotion and a rather strict interpretation of some appointment rule or regulation provided to preclude me (black person) from becoming a senior lecturer.'

'The lack of drive from many colleagues and unequal opportunities for recognition and promotion.'

Their supervisor/manager,

'My direct authority.'

'Imposed decisions, which do not take cognisance of ones needs particularly in the area of work allocation. One has take instructions all the time with no scope of personal initiative.'

'The boss I worked for was very negative and selfish. The only negative aspect of my job was working for him.'

'Bad experiences with HOD.'

'Controlling superior'

'I do not think that any managers (if one could call them that) have any performance appraisals, if they did they would all be fired.'

Volume and recognition of work done,

'A mountain of work to be done. People expected you to help them during the day and do all admin work after hours. It influenced my private life I had to work long hours I did not have a 8 to 4.30 job and it felt like I was working non stop without getting anywhere.'

'I think that if the University is hoping to become a leading "Technical University" in the country it needs to encourage research and reward academics on research outputs. (Not just acknowledging the top twenty researches in the Institution). Good research would encourage application of good students.'

Remuneration,

'The lack of opportunity to extend my income earning capacity and my wife's inability to invest her skills profitably.'

'My salary, without a doubt.'

'I feel I need to address the remuneration issue – Although I have stated that I was satisfied with the salary I can understand from a salary point of view why the University loses many good academics. The lure of money from industry as well as from higher paying Universities is a reality. Consider even the salaries at ... where many academics are not involved with research at all. I do believe that the remuneration ladder should be reviewed.'

Benefits,

'The final negotiations with Human Resources regarding (study and general) leave benefits, as well as the re-investment of the taxable portion of my pension.'

Organisational systems,

'The fact that no one took responsibility for the decisions taken; it was always "management", as if management was an entity that was invisible. There was a tendency to kill fires almost all the time; there was hardly ever proper planning for the things that took place. There were no proper disciplinary procedures in place for employees who "fell out of the code". A lot of employees got away with a lot of wrong things and no one actually took the position of instilling discipline. There was no consistency with the rules; they were broken to suit individuals depending on who you are and whom you went to. The biggest negative thing was the fact that there were always reactive and not proactive measures taken to do things. Employees with great potential were kept at positions that didn't expose their potential to the benefit of the organisation cause "they were good " for the positions they occupied.

'The fact that we had to struggle for simple resources that were basic needs, that drove me nuts!!'

'And lastly, the fact that I am answering this questionnaire five months after my departure, these issues should be addressed while people are still in employment with the organisation, see what makes them happy etc, not after they are gone.'

Transformation,

'The pseudo-transformation of the institution.'

'I had a problem with the way in which ...was managed by ...and the lack of commitment towards transformation of ... '

Lack of appreciation,

'Frustration due to a sense of not being appreciated.'

'Lack of respect from colleagues (professionally as an ...) and from management (seen as an upstart, mimicking other male players- it was not considered that I was saying what I was because these were my views).'

'Lack of any recognition for my efforts. My research group was publishing between 10 and 20 publications in international journals per year (mainly due to ...who had just retired). It was one of the largest and most popular research groups. It was used by UPE management as a shining example of co-operation with industry - but with no recognition to us (the staff that made it happen).'

'They never cared about my needs so I was always unhappy during stay at UPE.'

Job security,

'It was unsettling not knowing where UPE, and ..., would be in the future. The promises made by the Executive Committee sounded empty, because they were not backed up by collaboration with government. Also, UPE did not feature in the list of SA's top universities.'

'...involvement in UPE.'

Management,

'The reporting structure was not up to standard'

'The attitude of senior management, especially that of ...; ... were experienced as rather negative... .; From senior management the words of power sharing and creating and enabling environment were heard, but the opposite was often evident from their actions'

and gender equality.

'Men looking after men.'

From the above responses it can be concluded that benefits is the only factor that was experienced as a positive and negative feature at UPE.

One respondent also stated that he/she

'would love to work for UPE again in the future.'

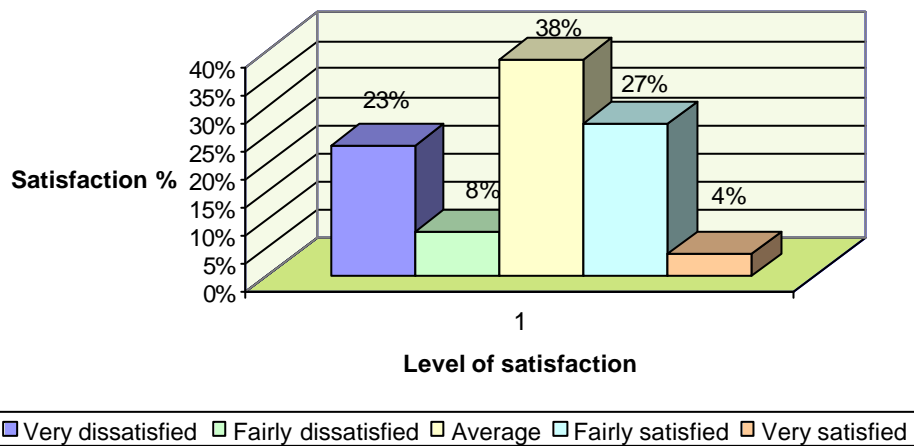
This statement conveys that the respondent did not find his or her tenure at UPE to be negative.

5.2.2.3 C: Employment Equity at UPE

The purpose of this section of the questionnaire was to ascertain ex-employees' perceptions of Employment Equity at UPE. 79% (23) of the respondents knew that an Employment Equity Plan (EEP) existed at UPE; 17% (5) did not know of the Employment Equity Plan's existence, and 3.5% (1) did not respond to the question.

The researcher could not use the responses of three employees who indicated that they were unaware of the EEP but yet indicated their level of satisfaction with the implementation of the EEP; the sample for this part of the questionnaire is therefore, 26. Figure 10 indicates the level of satisfaction with the implementation of the Employment Equity Plan.

Figure 10: Satisfaction with implementation of Employment Equity Plan



The majority of ex-employees (38%) were neither satisfied nor dissatisfied with the manner in which the Employment Equity Plan was implemented. 31% were dissatisfied and 31% satisfied with the implementation of the EEP, but to varying

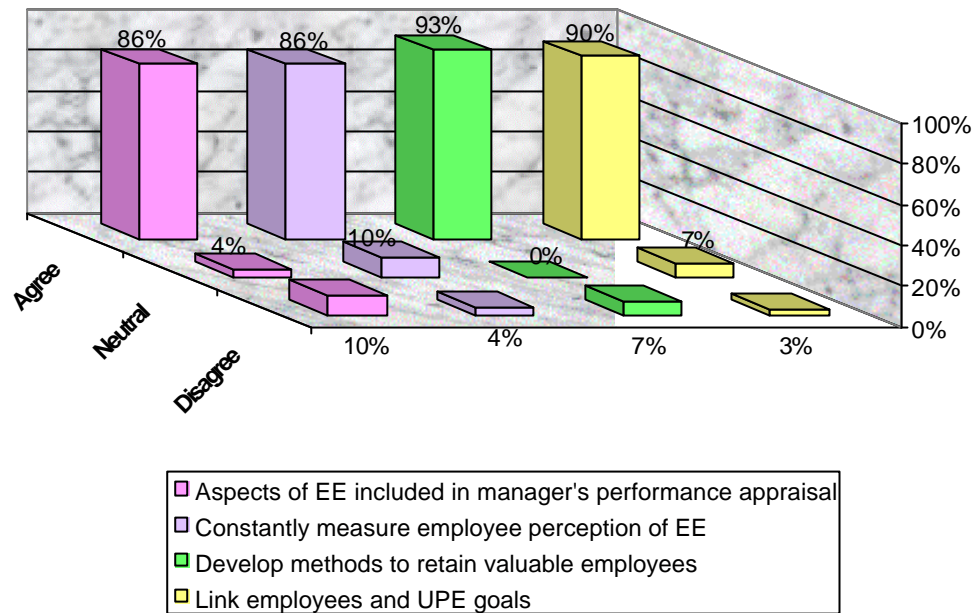
degrees. Of the 31% who were dissatisfied, 23% were very dissatisfied and 8% fairly dissatisfied; of the 31% who were satisfied, 4% were very satisfied and 27% fairly satisfied. It can thus be concluded that the degree of dissatisfaction was greater than the degree of satisfaction.

Respondents were then requested to identify factors which, in their opinion, could facilitate the achievement of Employment Equity at UPE. The results of this question are presented in Figure 11 below. Note the significant percentage of respondents who agreed that:

- all aspects of Employment Equity should be included in a manager's performance appraisal (86%);
- employees' perceptions about employment equity issues should be constantly measured (86%);
- Methods should be developed to retain valuable employees (93%);
- Employees' goals should be linked to the objectives of UPE (90%).

It can thus be concluded that ex-employees perceived the measures indicated in the questionnaire as mechanisms that could facilitate the realisation of employment equity objectives at UPE.

Figure 11: Factors that could facilitate the realisation of employment equity goals



Respondents were also requested to provide any additional measures, which they thought would benefit UPE in this regard. 79% (23) did not respond to this question, and 21% (6) provided the following:

'I absolutely agree that the core values and goals of the Institution should be emphasised and integrated into the work ethic of each staff member – should become part of who they are UPE should be transparent about issues relating to EE with all staff.'

'Staff development and employment equity should be linked.'

This additional response serves to reinforce one of the measures already provided in the questionnaire, namely, that the goals and objectives of employees should be linked to those of UPE.

Some respondents suggested that measures should be put in place to remove unproductive persons who were not contributing to the development of the organisation as a whole:

'I believe that the "dead wood" in UPE should be removed - far too many academics are only at the University for their lectures, and then simply disappear. They do no research

etc. Quite frankly, these persons should be targeted and if they cannot get up to speed, they should go.'

Others commented that:

the rate of transformation should be improved upon,

'Transformation very slow at such a big academic place'

the establishment of promotional targets or alternatively an increase in remuneration be implemented,

'Target requirements for promotion must be set; if no increase in rank, then in salary'.

and that

'UPE should be transparent about issues relating to EE with all staff'

It is imperative that these suggestions are considered for incorporation into the next Employment Equity Plan.

5.2.2.4 D: Reasons for leaving

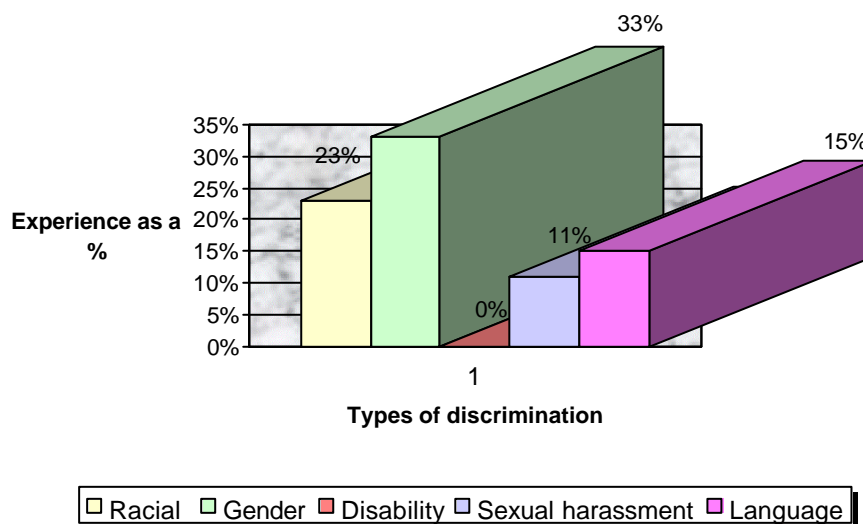
The purpose of this section was to determine what kinds of discrimination ex-employees might have experienced while at UPE, and to determine if these discriminatory experiences affected their tenure with the organisation. Other factors which contributed to their resignation, were also explored. Table 11 illustrates that 23% did experience racial discrimination and 77% did not; 33% experienced gender discrimination and 67% did not; 0% experienced discrimination as a result of being disabled; 11% had sexual harassment encounters while 89% did not, and 15% were discriminated against on the grounds of the language which they spoke and understood best, while 85% did not.

Table 11: Percentage of ex-employees who experienced certain types of discrimination

	YES	NO	TOTAL
Racial (n=26)	23%	77%	100%
Gender (n=27)	33%	67%	100%
Disability (n=27)	0%	100%	100%
Sexual harassment n=27)	11%	89%	100%
Negative issues around language (n=27)	15%	85%	100%

Figure 12 below illustrates that the type of discrimination that was experienced the most was gender discrimination, then racial discrimination, then negative issues around language, then sexual harassment. No discrimination based on disability was experienced.

Figure 12: Experiences of discrimination



The purpose of the next question was to compare the extent to which certain experiences of ex-employees contributed to their terminating their tenure with UPE. Table 12 illustrates the percentage of employees who were sufficiently affected by a certain factor, to resign from UPE. 15% indicated that the internal physical environment contributed to their departure; 12% felt that the socio-cultural

environment did; 62%, the supervision of their supervisor/manager; 75%, a better career opportunity; 68%, better pay; 67%, better benefits, and 66%, a lack of appreciation for the quality of their work. 72% felt that the lack of opportunities for promotion caused them to leave; 45% felt that the opportunities for promotion caused them to leave; 32% stated that relocation/emigration of their families caused them to leave; 29% blamed racial discrimination; 25%, gender discrimination, and 4%, discrimination based on disability.

Comparing Table 12 with Table 11 reveals that of the 23% who experienced racial discrimination, only 29% cited it as a reason for their not staying. Of the 33% who experienced gender discrimination, 25% cited it as a reason for leaving. Nobody experienced discrimination based on disability, but 4% felt that it contributed to their leaving because of their awareness of its existence in the experience of other colleagues.

Table 12: Percentage of ex-employees who were affected by certain factors that ended their tenure with UPE.

	YES	NO	TOTAL
UPE'S internal physical environment (n=27)	15%	85%	100%
UPE's socio-cultural environment (n=28)	12%	88%	100%
Supervision of supervisor/manager (n=29)	62%	38%	100%
Better career opportunity (n=28)	75%	25%	100%
Better pay (n=28)	68%	32%	100%
Better benefits (n=27)	67%	33%	100%
Lack of appreciation for the quality of work (n=29)	66%	34%	100%
Lack of opportunities for promotion (n=29)	72%	28%	100%
Unequal opportunities for promotion (n=29)	45%	55%	100%
Relocation/Emigration (n=28)	32%	68%	100%
Experience of racial discrimination (n=28)	29%	71%	100%
Experience of gender discrimination (n=28)	25%	75%	100%
Experience of disability discrimination (n=27)	4%	96%	100%

Figure 13 shows factors that contributed most to ex-employees resigning from UPE.

Figure 13: Percentage of ex-employees affected by certain factors to end their tenure at UPE

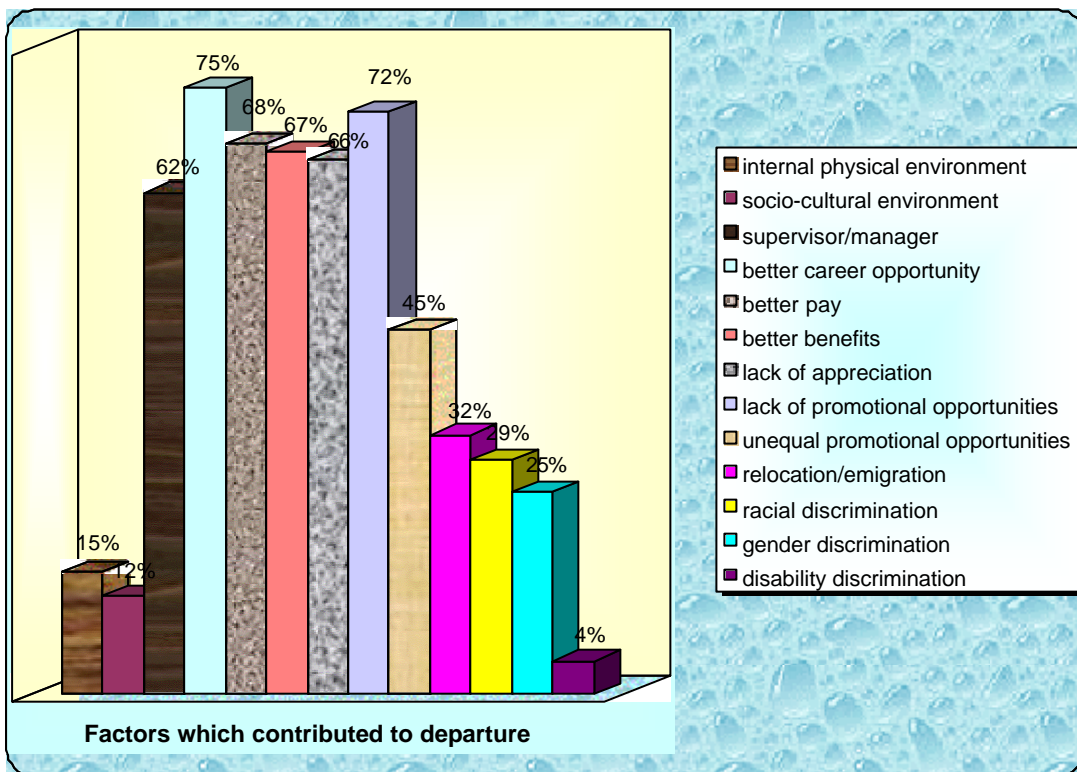


Table 13 below presents, in tabular form, the factors which contributed significantly to the departure of employees from UPE over the past three years. They are ranked from those which most ex-employees felt contributed to their terminating their services, to those which the fewest ex-employees felt contributed to their terminating their services.

Table 13: Ranking order of factors which contributed to resignation

RANKING ORDER	FACTOR
1 ST	Better career opportunity
2 ND	Lack of promotional opportunities
3 RD	Better pay
4 TH	Better benefits
5 TH	Lack of appreciation for the quality of work
6 TH	Supervision of supervisor/manager
7 TH	Unequal opportunities for promotion
8 TH	Relocation/Emigration
9 TH	Racial discrimination
10 TH	Gender discrimination
11 TH	Internal physical environment
12 TH	Socio-cultural environment
13 TH	Disability discrimination

One respondent provided an additional factor, namely job insecurity, as a reason which contributed to his/her resignation.

To analyse this data specific to various groups that existed in the sample, ex-employees were divided according to their gender (female and male), occupational position (academics and non-academics), and race (blacks, whites and coloureds). For the purpose of analysing the tables and graphs, the factors contributing to their resignation are numbered and described from 1 to 13 in each Table and owing to space constraints, only numbered, in the same order, in each graph.

□ *Gender*

Table 14 indicates the percentage of females and males who perceived that the specific selected factors contributed to their ending their tenure with UPE.

Table 14: Percentage of females and males who perceived each factor's contribution to ending their tenure with UPE

		FEMALE	MALE
1	UPE'S internal physical environment (n=27)	20%	8%
2	UPE's socio-cultural environment (n=28)	33%	62%
3	Supervision of supervisor/manager (n=29)	73%	43%
4	Better career opportunity (n=28)	80%	69%
5	Better pay (n=28)	53%	85%
6	Better benefits (n=27)	57%	85%
7	Lack of appreciation for the quality of work (n=29)	67%	57%
8	Lack of opportunities for promotion (n=29)	73%	79%
9	Unequal opportunities for promotion (n=29)	47%	43%
10	Relocation/Emigration (n=28)	47%	15%
11	Experience of racial discrimination (n=28)	27%	31%
12	Experience of gender discrimination (n=28)	33%	15%
13	Experience of disability discrimination (n=27)	0%	8%

An analysis of the above data, presented in Table 15 below, indicates the ranking of the factors, from those which contributed most, to those which contributed least, to males and females, respectively, resigning:

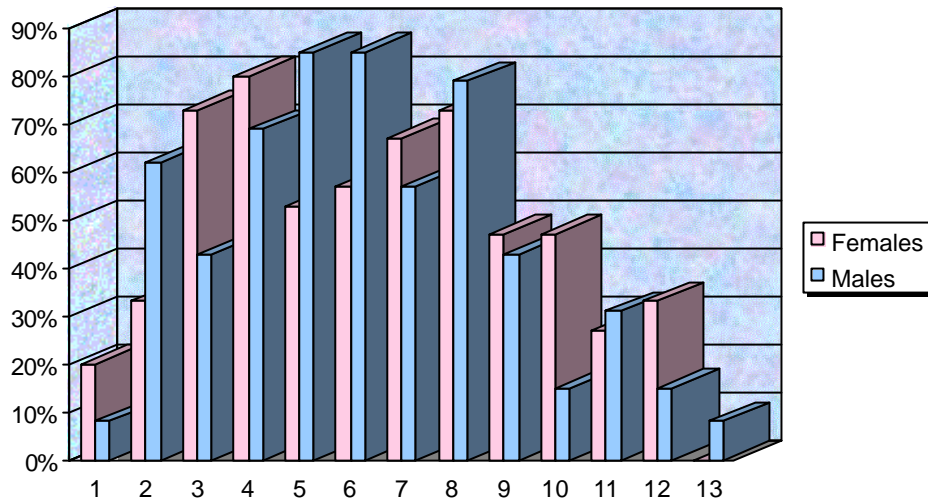
Table 15: Ranking order of factors which contributed to resignation for females and males

RANKING ORDER	FEMALES	MALES
1 ST	Better career opportunity	Better pay Better benefits
2 ND	Supervision by supervisor/manager Lack of promotional opportunities	Lack of promotional opportunities
3 RD	Lack of appreciation for the quality of work	Better career opportunity
4 TH	Better benefits	Socio-cultural environment
5 TH	Better pay	Lack of appreciation for the quality of work
6 TH	Unequal opportunities for promotion Relocation/Emigration	Supervision by supervisor/manager Unequal opportunities for promotion
7 TH	Experience of gender discrimination Socio-cultural environment	Experience of racial discrimination
8 TH	Experience of racial discrimination	Experience of gender discrimination Relocation/Emigration
9 TH	Internal physical environment	Experience of disability discrimination Internal physical environment
10 TH	Experience of disability discrimination	

Figure 14 clearly highlights which factor most females, and which factor most males, found contributed to their departure from UPE. Females in the sample left UPE for a better career opportunity (factor 4), because of the supervision by their managers (factor 3), because of a lack of promotional opportunities (factor 8) and because of a lack of appreciation for the quality of their work (factor 7). These factors are presented in random order from those who contributed the most, to the least. Males left UPE primarily for better pay and benefits (factors 5 and 6), a lack of promotional opportunities (factor 8), and a better career opportunity (factor 4). These factors are also presented in random order from those who contributed the most, to the least. Whereas the supervision of managers played a significant role in determining tenure amongst females, it was a below-average consideration

amongst males. Better pay and benefits were, however, an above-average consideration amongst females but less significant with males.

Figure 14: Comparison between females and males regarding factors which contributed to shortening their tenure at UPE



□ *Occupational position*

Table 16 indicates the percentage of academics and non-academics who felt that the selected factors contributed to their leaving UPE.

Table 16: Percentage of academics and non-academics who perceived each factor's contribution to shortening their tenure with UPE

		ACADEMICS	NON-ACADEMICS
1	UPE'S internal physical environment (n=27)	21%	7%
2	UPE's socio-cultural environment (n=28)	53%	31%
3	Supervision of supervisor/manager (n=29)	47%	79%
4	Better career opportunity (n=28)	93%	54%
5	Better pay (n=28)	73%	62%
6	Better benefits (n=27)	80%	50%
7	Lack of appreciation for the quality of work (n=29)	60%	71%
8	Lack of opportunities for promotion (n=29)	73%	79%
9	Unequal opportunities for promotion (n=29)	40%	50%
10	Relocation/Emigration (n=28)	33%	31%
11	Experience of racial discrimination (n=28)	33%	23%
12	Experience of gender discrimination (n=28)	13%	31%
13	Experience of disability discrimination (n=27)	0%	8%

An analysis of the above data, presented in tabular form below (Table 17), indicates the ranking of the factors, from those which contributed most, to those which contributed least, to the resignation of academics and non-academics.

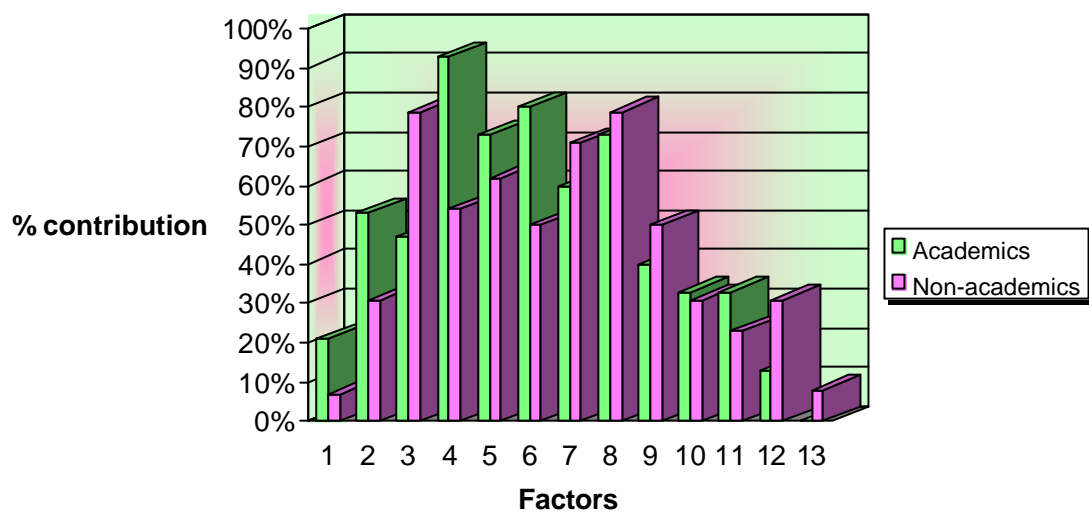
Table 17: Ranking order of factors which contributed to resignations of academics and non-academics

RANKING ORDER	ACADEMICS	NON-ACADEMICS
1 ST	Better career opportunity	Supervision by supervisor/manager Lack of promotional opportunities
2 ND	Better benefits	Lack of appreciation for the quality of work
3 RD	Better pay Lack of promotional opportunities	Better pay
4 TH	Lack of appreciation for the quality of work	Better career opportunity
5 TH	Socio-cultural environment	Better benefits Unequal opportunities for promotion
6 TH	Supervision of supervisor/manager	Socio-cultural environment Experience of gender discrimination Relocation/Emigration
7 TH	Unequal opportunities for promotion	Racial discrimination
8 TH	Experience of racial discrimination Relocation/Emigration	Disability discrimination
9 TH	Internal physical environment	Internal physical environment
10 TH	Experience of gender discrimination	
11 TH	Experience of disability discrimination	

Figure 15 clearly highlights which factor most academics, and which factor most non-academics, found contributed to their departure from UPE. Academics in the sample left UPE for a better career opportunity (factor 4), better benefits (factor 6), better pay (factor 5), and greater promotional opportunities (factor 8). These factors are presented in random order from those who contributed most, to the least. Non-academics left UPE primarily because of the supervision by their supervisor/manager (factor 3), a lack of promotional opportunities (factor 8); a lack of appreciation for the quality of their work (factor 7), and better pay (factor 5). These factors are also presented in random order from those who contributed most, to the least. Whereas the supervision of managers played a significant role in determining

tenure amongst non-academics, it was a below-average consideration amongst academics. Better pay was equally important to academics and non-academics, while the lack of promotional opportunities was more significant to non-academics than academics.

Figure 15: Comparison between academics and non-academics regarding factors which contributed to shortening their stay at UPE



□ Race

Table 18 indicates the percentage of blacks, whites and coloureds who felt that the selected factors contributed to their leaving UPE.

Table 18: Percentage of blacks, whites and coloureds who perceived each factor's contribution to their resignation from UPE

		BLACKS	WHITES	COLOUREDS
1	UPE'S internal physical environment (n=27)	33%	11%	17%
2	UPE's socio-cultural environment (n=28)	75%	28%	67%
3	Supervision of supervisor/manager (n=29)	80%	50%	83%
4	Better career opportunity (n=28)	75%	83%	50%
5	Better pay (n=28)	75%	72%	50%
6	Better benefits (n=27)	100%	61%	60%
7	Lack of appreciation for the quality of work (n=29)	60%	67%	67%
8	Lack of opportunities for promotion (n=29)	100%	67%	83%
9	Unequal opportunities for promotion (n=29)	80%	22%	83%
10	Relocation/Emigration (n=28)	25%	28%	50%
11	Experience of racial discrimination (n=28)	75%	11%	50%
12	Experience of gender discrimination (n=28)	25%	11%	50%
13	Experience of disability discrimination (n=27)	0%	0%	17%

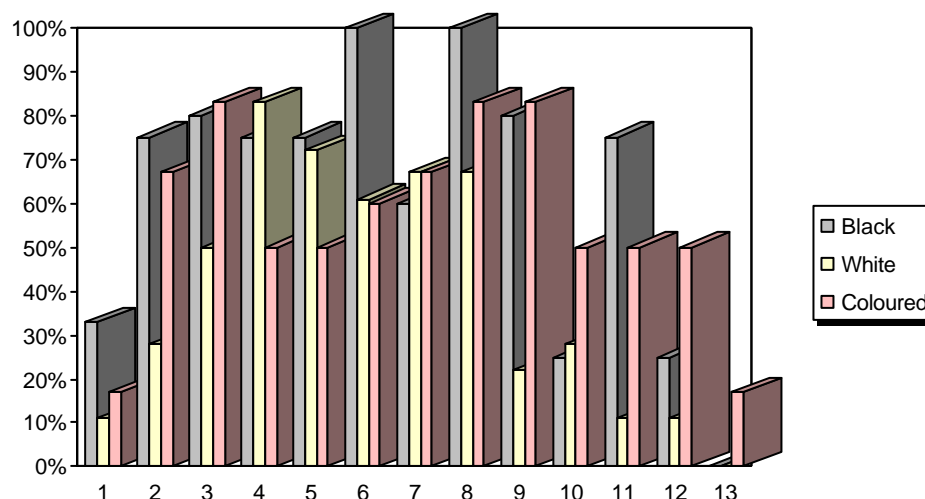
An analysis of the above data, presented in tabular form below (Table 19), indicates the ranking of the factors, from those which contributed most, to those which contributed the least, to the resignations of blacks, whites and coloureds.

Table 19: Ranking order of factors which contributed to resignations of blacks, whites and coloureds

RANKING ORDER	BLACKS	WHITES	COLOUREDS
1 ST	Lack of promotional opportunities Better benefits	Better career opportunity	Supervision of supervisor/manager Lack of opportunities for promotion Unequal opportunities for promotion
2 ND	Supervision by supervisor/manager Unequal opportunities for promotion	Better pay	Socio-cultural environment Lack of appreciation for the quality of work
3 RD	Better pay Better career opportunity Racial discrimination Socio-cultural environment	Lack of promotional opportunities Lack of appreciation for the quality of work	Better benefits
4 TH	Lack of appreciation for the quality of work	Better benefits	Better career opportunity Better pay Relocation/Emigration Racial discrimination Gender discrimination
5 TH	Internal physical environment	Supervision of supervisor/manager	Internal physical environment Disability discrimination
6 TH	Gender discrimination Relocation/Emigration	Socio-cultural environment Relocation/Emigration	
7 TH	Disability discrimination	Unequal opportunities for promotion	
8 TH		Racial discrimination Gender discrimination Internal physical environment	
9 TH		Disability discrimination	

Figure 16 clearly highlights which factor most blacks, which factor most whites, and which factor most coloureds found contributed to their departure from UPE. Blacks in the sample left UPE primarily because of a lack of promotional opportunities (factor 8), better benefits (factor 6), supervision by their supervisor/managers (factor 3), and unequal opportunities for promotion (factor 9). Better pay (factor 5), a better career opportunity (factor 4), experiences of racial discrimination (factor 11), and UPE's socio-cultural environment (factor 2) were also significant factors contributing to their departure. These factors are presented in random order from those who contributed most, to the least. Whites were leaving UPE primarily because of a better career opportunity (factor 4), better pay (factor 5), better promotional opportunities (factor 8), and because of a lack of appreciation for the quality of their work (factor 7). Coloureds in the sample were leaving UPE primarily because of the supervision by their supervisor/managers (factor 3), lack of promotional opportunities (factor 8), unequal opportunities for promotion (factor 9), UPE's socio-cultural environment (factor 2), a lack of appreciation for the quality of their work (factor 7) and for the chance of better benefits (factor 6). These factors are also presented in random order from those who contributed most, to the least. The graph indicates that blacks were the least content with these factors at UPE, which significantly shortened their tenure with UPE. 62% of the factors (8 of 13) are ranked as the top three factors which contributed to blacks leaving the organisation.

Figure 16: Comparison between blacks, whites and coloureds regarding factors contributing to shortening their tenure at UPE



All 29 participants responded to the open-ended question to provide one main reason why they resigned from UPE. Reasons falling into the following categories were cited:

The socio-economic conditions in South Africa and relocation,

'Socio-economic situation in SA supported a decision to relocate to the USA.'

'Relocation'

'My family had the opportunity of experiencing life, culture and learning in a new environment in a different country.'

'My spouse was relocated'

'Emigration'.

Lack of adequate career pathing and development,

'Lack of promotional development within the DEPARTMENT'

'Substantial career advancement'

'to enhance our careers as there are better opportunities in but realised that staying at UPE for another 8 years will cause my career to stagnate even further.'

'Career advancement'

'Absence of clear career development path for black people coupled with the hostile and conservative working climate.'

'I needed to further my career and I was unfortunately unable to.'

'I was challenged by the opportunity to become the first ...at ...in ... '

'Better career'

'Received scholarship for overseas study.'

'lack of career pathing'

'I felt I was falling behind my peers in the ...industry outside of UPE.'

Inability to have a work-life balance, lack of performance management systems,

'I had no family life because of UPE. A few years ago, everything was well managed and people who did not do their work were disciplined. Now my workload was just getting bigger and no one tried to speak to the others because they are scared of being called a racist.'

Personal reasons,

'Had to get close to my parents and family who I have not had the opportunity to stay close to.'

Communication;

'Being told we were to be and the manner in which we were treated'

Remuneration and benefits;

'It was without a doubt the salary/benefits package. The pay was so bad that I could not even afford to buy a decent house for my family. My choice was that either my ... would have to get a fulltime job and put the children in aftercare or leave UPE. At that point I was even being paid extra by ...(a 25% salary subvention). I have been at ...for just two years and I earn R35 500 per month (package), have almost a R1 million worth of share options and receive performance bonuses every 3 months. Before I left UPE I asked to see ..., I remember him saying he would make me a competitive offer - I don't think he was even close as he clearly had no idea of what competitive is.'

'I had to resign because of my financial needs. I had to pay medical bills out of my meagre salary because my medical aid had been exhausted.'

'Salary'

'The simple adage, over worked and underpaid,'

'salary, benefits'

'At the time of leaving UPE I wanted to earn more money'

Racial discrimination,

'Absence of clear career development path for black people coupled with the hostile and conservative working climate.'

'I reached a point where I realised that I could and never would make a difference in attitude towards me and transformation of thefaculty'.

Appreciation, value and respect for contributions to UPE,

'The realisation that I would only get the support, affirmation and respect I require elsewhere.'

'I was not being taken seriously and therefore not convinced that I had anything to contribute to the organisational development'

'Was offered better security than UPE was able or willing to provide, as much as the impression that UPE created that my skills were not really valued'

and supervisor/manager.

'Constant friction with my superior. No longer sustainable.'

The Executive Director of Human Resources submitted a report to the Vice-Chancellor on 16 September 2002 depicting the reasons for the resignation of certain employees from UPE. He had interviewed 12 ex-employees in 2002.

Some of the reasons cited in the report are:

- Lack of career advancement
- Salaries not market-related
- Transformation process immeasurable
- Lack of an effective mentoring system
- Gender disparity
- Lack of an embracing organisational culture
- Discrimination based on language

Though not statistically compared to the sample, the factors mentioned above have filtered through from the study that was conducted. The study, however, does provide a more comprehensive analysis of these factors, specifically with reference to various groups within the organisation.

In response to the open-ended question about external environmental factors which could have influenced the resignation decision, 18 respondents did not answer the question. The remaining 11 respondents mentioned the socio-

economic conditions in the region and the country as contributing, if though only to a lesser degree, to their leaving UPE.

5.2.2.5 E: Exit process

The purpose of this part of the questionnaire was to evaluate the exit questionnaire, interview, and exit process at UPE.

5.2.2.5.1 Content of exit questionnaire

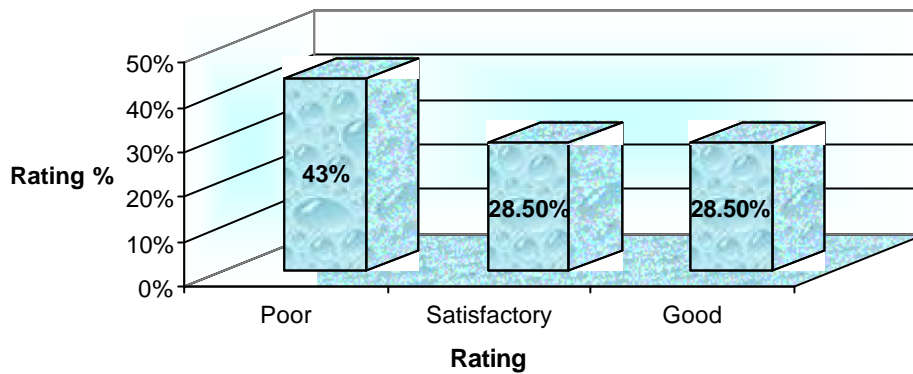
Of the 29 respondents, one did not answer these questions; 7 of 28 rated the content of the exit questionnaire, while only 6 had been given a questionnaire. The rating of the respondent who was not provided with a questionnaire was thus discarded.

As illustrated in Figure 17, 43% of the respondents rated the content of the exit questionnaire as poor, 28,5% rated it as satisfactory and 28,5% rated it as good. The majority of respondents thus found the content of the exit questionnaire poor.

The exit questionnaire (see Appendix C) is similar in content to an exit interview questionnaire used by Nedcor Bank Limited⁸⁴. The questions are all open-ended. It is provided in hard copy to employees after they have tendered their resignation.

⁸⁴ Grobler, PA *et al.* 2002:249

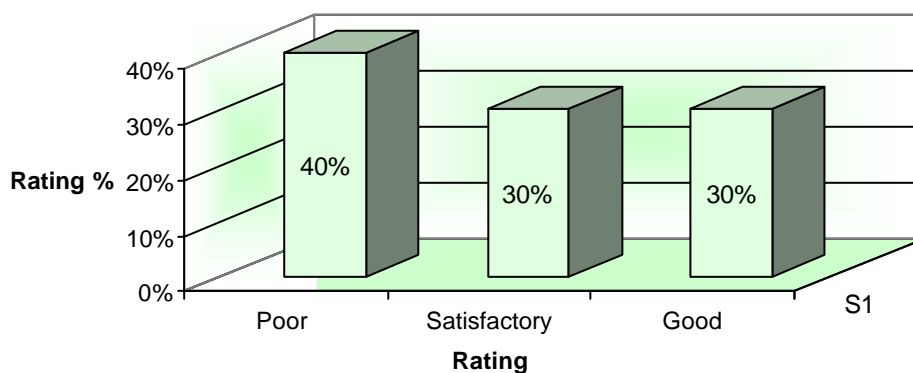
Figure 17: Rating of exit questionnaire



5.2.2.5.2 Exit interviews

Of the 13 respondents who were invited to the exit interview, 10 rated it. The last respondent had not yet attended the interview by the time the research was concluded. As illustrated in Figure 18, 40% rated the exit interview as poor; 30% as satisfactory, and 30% as good. The majority of the respondents thus rated the exit interviews as poor.

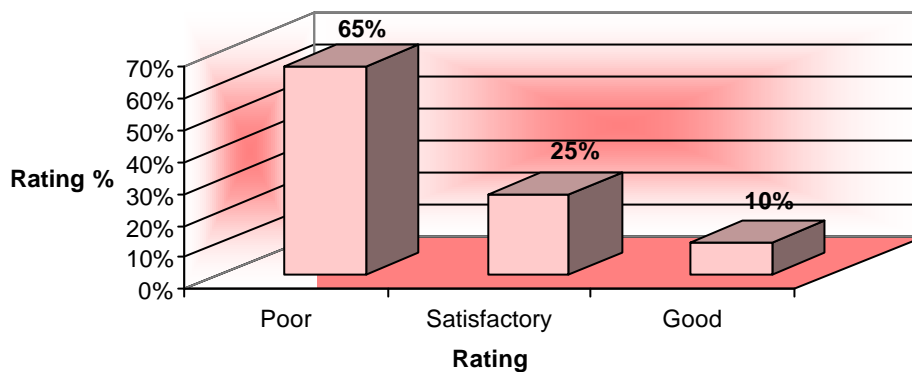
Figure 18: Rating of exit interview



5.2.2.5.3 The departure process

Twenty-eight respondents rated the exit process. As illustrated in Figure 19, 65% rated the process as poor, 25% as satisfactory, and 10% rated the departure process as good. The majority of ex-employees thus found the exit process to be poor.

Figure 19: Rating of exit process



In response to an open-ended question about why they rated the exit process as they did, nine did not respond to the question. The remaining 20 contributed as follows:

Some ex-employees were satisfied with the social and professional administration of their departure.

‘I was satisfied in every respect . ‘

‘Except for a dismal departure/farewell speech by ..., my departure went smoothly.’

The majority, however, were dissatisfied with the departure process which entailed communication of outstanding obligations which the employee might have, payment of pension fund contributions (if necessary), issuing of unemployment cards and customer service.

‘As the ... did not want the rest of the organization to know that another staff member was leaving in such a short time after the last, it was said that I had left to ... It was my plan, but

by no means the reason for my departure. The process from my direct authority's side was rather cold. Of course I could write a book about this, but it is in the past! ☺'

'There was still a bit of bad feelings and certain stories was spread about me to cover up for other people'

'My departure process was not dealt with professionally. However I had issues with my boss and ... also messed up pretty badly with my process. However, personally I did not have any bad vibes with them. Could be the ...style I had to deal with - then everything gets handled differently. UPE needs to be more transparent though – too much happening behind closed doors. A few people want the place to stay the same and obviously are stalling the UPE transformation process. I had a very good relationship with ... and certainly would have liked to stay with UPE. Must say that UPE is one of the best institutions I have worked for – they need to get rid of the old regime people and jack up those tokens who have been employed for the sake of equity numbers. '

' lost out on compensation for accumulated leave, which was primarily due to working extra-hard to fulfil my obligations at the University. In addition, I did not resign early in lieu of accumulated leave so as to meet the ...verbal request to ensure that the academic programme was concluded successfully and that my Department was not left in the lurch. I therefore lost an opportunity to take up a more rewarding appointment at least two months early and equally lost the accumulated leave payout.'

' was not provided with any exit procedure at the time, which I really regard as lacking at UPE. ...was not really geared for this and I found that I had to find out all procedures for myself and chase them up about it.'

'It coincided with the end of the term and had no major impact as such.'

'When I had let it be known that I was going to leave, people did try to convince me to stay, and said that my salary would be increased. However, that still not would have been in line with what I am earning now, but I could not really trust these decisions seeing as I was previously promised a certain salary, and then ended up receiving another. I must also state though that i am an academic at heart, and really missed the opportunity to do research, and that also motivated me leaving. If I had the chance to return to UPE in an academic post, even for less money, I really would take it. '

'Poor communication and management of the process by ... – with the notable exception of'

'There was no departure process (besides a personal farewell from my colleagues). Work commitments continued as usual (I marked 75 scripts on the last two days, plus typed the marks into the system, as well as all the other things that need to be done before leaving!) There was no time to even say goodbye to all the good people who had helped over the years, like the ... and'

'I did not attend the interview because I thought that it was for a select few – I did not want to be part of that!!!!!!!!!!!!'

'There was no formal announcement of my departure, no farewell words at ... – I am still waiting to hear a word from ... (the... at the time) who knew me well and with whom I did salary negotiations for many years. I should think that it would have been normal practice to say goodbye to all staff in some way or another – especially ...staff that was known to ...'

'Although ... and expressed their best wishes for my future leaving UPE, no other attempt was made by anyone at UPE to communicate with me regarding my leaving – the feeling was left that I did not matter and which confirmed for me my feeling that there was no or very little acknowledgement of my work at UPE having been valued in any way.'

'Exit questionnaires or interviews were non-existent at UPE when I left. I had to ask for an interview with To make everything even more unpleasant UPE has a policy of not paying out more than ... days of accumulated leave. They encourage us to save leave to use for sabbaticals, but when you want to leave they simply take it all away. This is borderline illegal, the staff union requested that I take UPE to court as they felt I had a good chance of winning, but quite frankly a months pay wasn't worth fighting for. '

'No formal closure. Little administrative support for explaining benefit pay-outs, etc.'

'I had no problems once I had tendered my resignation.'

'I must admit that I do not recall an exit interview ... if there was one conducted then surely the impact was not that great as I would of remembered it!'

'Sort off – tried to persuade me to stay under same circumstances'

'Whilst my resignation was 'forced' due to my family's relocation, the work environment outside of my department was very unsatisfactory. My perception of ... in general is a top down, insular and out of touch with academics grouping. Young academics in general are not given a clear career path, or incentives for advancement! Outside my department, innovative teaching and research by young academics are NOT rewarded, in my opinion.

The impression given by ... is that academics are dispensable, so too the academic programme, judged by cuts to ...budgets, difficulty in appointing contract staff in small departments etc.

My feeling is that, should I not have left PE, I would not have extended my tenure at UPE beyond 2004/5.

Employment Equity and the responsibility thereof, are in the wrong hands! If ...did not regard suitable equity candidates as suitable for the position of ..., why should ...and ... aggressively recruit STRONG equity candidates? Equity appointments at the lower academic positions only (where it happens!) will have, very little impact on achieving equity – UPE needs more senior black and women academics, preferably from outside UPE!!!

Most of the respondents further expanded on their reasons for leaving in response to this question which could be interpreted as a need to emphasise their reasons for not staying with UPE. Reading these comments paints quite a bleak picture and some serious thought will have to go into how these comments could be converted into an effective exit process that is apt and memorable.

5.3 STATISTICAL SIGNIFICANCE TESTS

Pearson Chi-square and M-L Chi-square analysis of the data revealed that the data set was too small to determine the statistical significance of the results. For any significant difference to be observed, the number of observations would have to have been increased substantially. For example, to determine the statistical significance between gender (male and female) and one of the main reasons for leaving UPE: a lack of opportunities for promotion, the test revealed that the set was too small (Table 20). This was the trend for almost all the tests.

Table 20: Significance test results 1

Gender versus 'the lack of opportunities for promotion'			
	Lack of opportunities for promotion	Lack of opportunities for promotion	Row
Male	3 ⁸⁵	11	14
Female	4 ⁸⁶	11	15
Totals	7	22	29

⁸⁵ Data set too small

⁸⁶ Data set too small

In some cases the data set was big enough (greater than 5) but then the result was insignificant (Tables 21 and 22).

Table 21: Significance test results 2 a

Gender versus 'unequal opportunities for promotion'			
	Unequal opportunities for promotion	Unequal opportunities for promotion	Row
Male	8	6	14
Female	8	7	15
Totals	16	13	29

Table 22: Significance test results 2 b

Observed frequencies			
	Chi-square	df	p
Pearson Chi-square	.0424908	1	.83669 ⁸⁷
M-L Chi-square	.0425095	1	.83665 ⁸⁸

5.4 CONCLUSION

Despite the absence of the above-mentioned inferential technique, this study provided critical insight into why employees were resigning from UPE. The social and developmental expectation of employees while part of an organisation that is at the forefront of transformation in the country was clearly revealed. Of significance, too, were the perceptions of ex-employees regarding the implementation of UPE's Employment Equity Plan, and also their evaluation of one of the retention practices that UPE currently has, namely exit interviews. These findings will provide the framework for the next chapter, in which the results will be discussed according to the objectives of the study.

⁸⁷ Indicates that the result is insignificant

⁸⁸ Indicates that the result is insignificant

CHAPTER 6

SUMMARY OF FINDINGS

6.1 INTRODUCTION

In this chapter, the findings presented in Chapter 5 will be discussed according to the objectives of the study.

6.2

OBJECTIVE 1	To provide critical insight into why employees are resigning from UPE
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Column I in Table 23 indicate the seven main factors that contributed to employees resigning from the University of Port Elizabeth. They are ranked from those which most ex-employees felt contributed to their terminating their services, to those which the fewest ex-employees felt contributed to their terminating their services. Column II indicates the various categories into which ex-employees were divided for the purpose of this research. Each type of employee is put next to the reason(s) that they thought contributed MOST to their terminating their services with the university.

We can thus conclude that:

- 6.2.1 most employees terminated their services with the university for a better career opportunity
- 6.2.2 more specifically, this factor was ranked first for the following groups, females, academics and whites
- 6.2.3 blacks cited a lack of promotional opportunities and better benefits as their main reason for leaving.
- 6.2.4 non-academics and coloureds cited the supervision by their managers and a lack of promotional opportunities as the main reason for their leaving
- 6.2.5 coloureds included unequal opportunities for promotion
- 6.2.6 males left for better pay and benefits.

Table 23: Summary of main reasons for employees terminating their services with the University of Port Elizabeth

COLUMN I	COLUMN II
Better career opportunity	All ex-employees
	Females
	Academics
	Whites
Lack of promotional opportunities	Non-academic
	Blacks
	Coloureds
Better pay	Males
Better benefits	Blacks
Lack of appreciation for the quality of work	
Supervision by supervisor/manager	Non-academics
	Coloureds
Unequal opportunities for promotion	Coloureds

Upon analysing the data in greater depth across employee categories, nine of the 13 (69%) factors presented were ranked within the top three reasons for resigning. These factors are:

- [1] a better career opportunity
- [2] a lack of promotional opportunities
- [3] supervision by supervisor/manager
- [4] lack of appreciation for the quality of work
- [5] better pay
- [6] better benefits
- [7] unequal promotional opportunities
- [8] socio-cultural environment
- [9] racial discrimination

Only blacks and coloureds ranked the socio-cultural environment, unequal opportunities for promotion, and racial discrimination, within their top three factors.

From the above it can be concluded that these two groups felt no congruency between the organisational culture and themselves; instead they experienced a lack of 'sharing of the same ideas, values, assumptions, beliefs and meanings'⁸⁹. One can also deduce that their perception of there being unequal opportunities for promotion was based on their experiences of racial discrimination (75% blacks; 50% coloureds).

Though some commonalities did occur, it is evident that different groups of employees attached different values to some factors.

6.3

OBJECTIVE 2	To determine the social and developmental expectations of ex-UPE employees' while in a transforming organisation
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It is evident from the content of UPE's Employment Equity Plan and recruitment advertisements, that it is committed to transforming the organisation from an 'overwhelmingly white organisation with women in the majority in non-professional administrative occupational categories'⁹⁰ to an organisation that is more representative of the regional population. Training and mentoring programmes are available for all staff in order to ensure the development of the university's human capital. However, owing to South Africa's historical legacy, the above social and developmental issues will remain a determinant of employees' dissatisfaction with an organisation for a long time to come.

A proper assessment of an organisation's commitment to transformation is incomplete without due consideration being given to the perception of employees, which occasioned this research.

UPE can be commended for its efforts to provide employees with work tools and a workstation that was conducive to tasks being completed, as well as for the provision of an environment where employees could balance work and family life, and establish good relationships with co-workers.

However, UPE's methods of communication and feedback with employees on a one-to-one basis need improvement. In addition, the high percentage (89%) of employees who provided negative comments about the organisational culture of UPE indicated disharmony. Unfortunately, the creation of an environment where

⁸⁹ Statt, DA. 1984:400

⁹⁰ UPE Bulletin. UPE leading the way in transformation. 2 October 2002:2

each employee feels a part of the corporate culture is virtually impossible. Considering South Africa's history of inequitable practices and the related socialisation that accompanied it, major paradigm shifts have to be made in the hearts and minds of all employees. Statt (1994)⁹¹ suggests that sometimes the organisational culture 'is provided for the workforce by senior management' and is not created from the 'normal interactions of people at work'. This perception was indeed held by some ex-employees⁹². However, some also felt that gender inequity, a lack of commitment from colleagues, and demotivated and lazy employees also contributed to the negative organisational culture.

Strategies thus need to be embarked on to encourage the development of a corporate culture that employees can identify with. It is difficult to determine whether organisational culture can be managed because of the impact of non-rational elements. Non-rational elements include, but are not limited to, 'destructive or negative emotions, erroneous beliefs, and idiosyncratic interpretations of the organisations past, present and future. They often result in smouldering resentments and prolonged overt conflicts at the individual group and organisational levels'⁹³. Most organisational theorists conclude that it is difficult to change the deeper levels of organisational culture (Hofstede in Francesco, 1998:138).

Ex-employees were neither satisfied nor dissatisfied with their managers' overall managerial abilities and styles. Critical to this factor is the apparent lack of understanding of employee needs by managers. Ex-employee perceptions of this issue ranged from sympathy for the managers (who in their opinion were inadequately trained, and restricted by work pressure/hierarchical red tape), to favouritism and personal ambition at the expense of the employees' needs.⁹⁴

Ex-employees expected more clearly-defined career paths. The lack of opportunities for advancement could be due to the low staff turnover. They felt that a more committed mentoring and succession-planning system, coupled with the eradication of gender disparity, could contribute to mapping their careers. It can also be concluded that ex-employees found their work very important, and they

⁹¹ Statt,DA.1994:400

⁹² See Chapter 5

⁹³ Francesco,AM & Gold,AB.1998:137

⁹⁴ See Chapter 5

needed opportunities for advancement that would have created an opportunity for them to regard the organisation's goals as their own.

6.4

OBJECTIVE 3	To identify and analyse ex-employee perceptions of the implementation of UPE's Employment Equity Plan
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UPE's Employment Equity Plan is indicative of the university's strategic priority number 6 which is:

'to establish a culture at UPE that will enhance equity and which will celebrate diversity as an important contributing factor to academic and organisational excellence'⁹⁵.

In the Plan, UPE committed itself to the following plans of action for the 2000-2002 period:

6.4.1 Academics⁹⁶

- 'The development of academics from designated groups in areas of academia where there are limited pools'
- 'Mentoring programmes which will provide a supportive environment' (sic)'Implementation of the plan with regard to recruitment procedures, selection criteria, appointments and promotion procedures'
- 'an investigation of the possibility of voluntary early retirement to stimulate progress in promoting staff equity and diversity'

6.4.2 Non-academic staff⁹⁷

- 'provision of training programs'
- 'development of career development plans'
- 'creation of internships and placements for people from designated groups'
- 'Implementation of the plan with regard to recruitment procedures, selection criteria, appointments and promotion procedures'

6.4.3 Persons with disabilities⁹⁸

- the removal of all physical and psychological barriers with regard to disability in the workplace

⁹⁵UPE Senate document S/280/01

⁹⁶UPE Employment Equity Plan. Page 2

⁹⁷UPE. Employment Equity Plan. Page 3

⁹⁸UPE. Employment Equity Plan. Page 4

6.4.4 Gender⁹⁹

- 'target women specifically for appointment to managerial/executive positions'
- 'target development of women for leadership at senior and at entry level'
- 'take action via the recruitment process to diversify in areas where gender stereotyping is noted'
- 'introduce mentoring programmes to encourage women to enter professions where limited pools exist'

In Section G of the Employment Equity Reports to the Department of Labour, UPE reported that for 2000 and 2001¹⁰⁰ its numerical employment equity goals and affirmative action objectives as stated in its Employment Equity Plan was not achieved because of:

- [1] inability to retain equity staff
- [2] equity implementation not a performance management criterion for management
- [3] policy does not support equity appointments
- [4] low overall staff turnover.

Ex-employees were neither satisfied nor dissatisfied with the implementation of the Employment Equity Plan and the methods that were provided to facilitate the realisation of employment equity goals.¹⁰¹

6.5

OBJECTIVE 4	To identify and analyse ex-employees' perceptions of existing retention practices at UPE
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Ex-employees rated the content of the exit questionnaire, the exit interview, and the departure process as poor.

⁹⁹ UPE. Employment Equity Plan. Page 6

¹⁰⁰ 2002 report not available when research was concluded.

¹⁰¹ Chapter 5

6.6

OBJECTIVE 5	To provide recommendations towards the development of an employee-retention strategy for UPE
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‘For the things we have to learn before we can do them, we learn by doing them’¹⁰² **(sic)**

Aristotle, *Nichomachean Ethics*

Clem Sunter¹⁰³ encourages South African organisations to ‘think action’ when developing a strategy, in order to eliminate the ‘analysis paralysis’ characteristic of South African organisational practices. The old adage of ‘what gets measured gets done’ is indeed of contemporary significance when developing a strategy.

The researcher is an employee of the University of Port Elizabeth and is not a member of senior management. It is recommended that Executive Management considers the following factors, some of which were reported on in the findings, to develop UPE’s human capital and ultimately retain its employees.

- 6.6.1 Convert the recruitment and selection function to a recruitment, selection AND retention function, for implementation by all supervisors and managers.
- 6.6.2 Implement a performance management system as a matter of urgency.
- 6.6.3 Improve on monitoring the current mentoring system, especially for academics.
- 6.6.4 Devise concrete succession planning and career paths with employees.
- 6.6.5 Implement measures that facilitate the realisation of employment equity objectives, namely:
 - 6.6.5.1 Include all aspects of attaining employment equity objectives in managers’ performance appraisal
 - 6.6.5.2 Constantly measure employees’ perceptions about employment equity issues
 - 6.6.5.3 Develop methods to retain valuable employees

¹⁰² Loewen, J. 1998.

¹⁰³ Loewen, J. 1998:8

- 6.6.5.4 Develop mechanisms to link employees' goals to the objectives of UPE.
- 6.6.6 Implement measures that encourage the development of a corporate culture with which all employees can identify.
- 6.6.7 Evaluate employment entry and exit processes.
- 6.6.8 Modify the current exit questionnaire.
- 6.6.9 Automate the exit questionnaire to promote accessibility and analysis in real-time.
- 6.6.10 Evaluate the time taken for the administration of human resource functions related to resignation.
- 6.6.11 Work environment
- Continue to provide employees with a supportive work environment
- 6.6.12 Managers/Supervisors
- 'Increase managers' awareness of the importance of retention measures and
 - provide them with the tools to improve their management styles'¹⁰⁴
- 6.6.13 Use the following tools to assess retention efforts:
- *Turnover statistics*: will clearly indicate whether the organisation has a high or low staff turnover. While high staff turnovers unmistakably indicate that employee retention measures should be developed, low staff turnover also has negative implications.
 - *Entrance and exit interviews*: find out what attracted an employee to the organisation and if he or she leaves, compare this with his or her exit interview answers to see what has changed
 - *Employee satisfaction surveys*: will identify causal factors which could result in employees terminating their services with the organisation
 - *Align the strengths of employees* with the objectives of the organisation
- According to Gubman (1998) 'there are three types of people in the world: people who like people, people who like things and people who like ideas. People who like people value relationships, understand motivation and enjoy satisfying others. People who like things are good at making things happen. They like action, methods and concrete results. People who like ideas love invention,

¹⁰⁴ Fields, MRA.2001:200

visions of the future, free form debate and pursuit of the new and different'. Every organisation has goals and objectives that can then be classified as follows:

- [1] customer-focused – align with people who like people
- [2] operations-focused – align with people who like things
- [3] products-focused – align with people who like ideas.

An organisation is not a pure type of strategic style and neither are people; therefore it makes sense that every organisation needs diversity of thought and differences in background, experience and thinking. However, this model clarifies the idea of aligning employees to business strategy and provides the context for all that needs to be done to manage talent¹⁰⁵.

Some of the above recommendations have been identified by Fields (1998:197) as imperative to retaining employees.

6.7 CONCLUSION

The highest number of resignations were from ex-employees from designated groups, particularly white females in academic positions. This is impacting negatively on the attainment of employment equity and research capacity-building objectives. The age at resignation (26-45 years) of the majority of the ex-employees demonstrated that they had an understanding of the position of their career timetables, and the self-actualisation of needs that had not been met in UPE's employ. The length of tenure of the majority of these ex-employees suggested that the recruitment of this age group is a risk to UPE, and costly in terms of a loss of knowledge. While some commonalities did occur, the factors that played a significant role in employee retention had a different value for various groups at UPE. The findings confirmed some reasons that are well known in the employee-retention market.

¹⁰⁵ Gubman, E. 1998:44

SECTION C
CONCLUSION

CHAPTER 7

CONCLUSION

7.1 INTRODUCTION

Retention initiatives are often thought of as separate from recruitment but they are inextricably linked. Given the options that employees have in the current labour market, an improved effort must be made by organisations to retain employees after they have been recruited. Fields (2001:37) recommends three principles of recruitment and retention:

- 'Organisations must candidly examine the effectiveness of their traditional external recruitment strategies and, in many cases, adapt or adopt new ones that are appropriate for the times
- Organisations need to focus on internal recruitment strategies as much or possibly more than traditional external recruitment initiatives so that a ready supply of internal workers is available to fill crucial positions
- Organisations should view external and internal recruitment plus retention as a "package deal" and recognise that the best form of recruitment is retention'.

Derek Mengel shares a similar view to Fields in that he recommends that employers adopt a strategy of hiring an employee on the basis of the traits which he or she possesses and providing him or her with training to develop the required skills¹⁰⁶. Literature by Lisa Kinnear and Margie Sutherland expresses a similar view¹⁰⁷.

Price-Waterhouse Coopers calls the following factors a 'New Hierarchy of Employee Needs'¹⁰⁸ which are in order of importance:

- The learning opportunities created by the organisation to develop human capital
- The establishment of performance-linked pay and compensation which holds its own in the external marketplace
- Discernible career progression and a link between training, development and career advancement

¹⁰⁶ People Dynamics, October/November 2001

¹⁰⁷ People Dynamics, February 2001

¹⁰⁸ Fields, MRA.2001:197

- ❑ An organised system of accountability for mentoring that is visible at grass roots level
- ❑ Appropriate employee benefits
- ❑ Employees have a clear understanding of their role within the organisation

The above factors are indicators of what could motivate or inspire an employee. It was evident in the findings that ex-employees had not satisfied all their needs. Different employees were also motivated or inspired by different factors with correlations in some instances¹⁰⁹. What was evident was that if their needs were not met, employees took a conscious decision to behave in a certain manner, which was to leave the organisation.

As stated by Leslie McKeown¹¹⁰ and the literature study on the Reasoned Action Model¹¹¹, it can be concluded that ex-employees rationalised their decisions to leave the organisation. Their attitudes to various organisational issues presented in the study clearly determined their behaviour, the act of resignation. The employees internalised their experiences of the various factors mentioned in the questionnaire, gained through social interaction. These factors were of more significance to some employees than to others depending on the needs level that they were at. The ex-employees interpreted these meanings that they had attached to these experiences and applied them to the specific circumstance of resigning. The relationship between human social patterns within the various groups that ex-employees could be classified into, could be analysed and has been presented in the findings.

External environmental factors like the socio-economic conditions in the Eastern Cape Province and South Africa, contributed to a lesser extent to their leaving the university, the region or the country. This factor should not be considered insignificant, as South African organisations need to convert the brain-drain to a brain-gain initiative¹¹². The negative situation can be remedied by developing an employee-retention strategy that would facilitate the repatriation of skills lost abroad.

¹⁰⁹ See chapter 5

¹¹⁰ <http://www3.hr.com/Hrcom/index.cfm>

¹¹¹ See chapter 3

¹¹² www.nrf.ac.za/news/braindrain.stm NEPAD

While various legislative interventions have introduced a new notion that embraces the differences between people, the successful implementation of the good practices emanating from legislation will unfortunately only be successful through re-socialisation of South Africans. The consideration for the development of an employee retention strategy that incorporates a sound human capital development programme needs to be explored further.

7.2 RECOMMENDATIONS FOR FUTURE RESEARCH

- 7.2.1 Use this research as a building block on which to add data obtained from ex-employees who have resigned from 01 November 2002. Such a study will result in a larger sample, to which inferential statistical analysis techniques can be applied to reveal trends that could be beneficial to strategic policy development.
- 7.2.2 Modify the questionnaire and give it to random samples drawn from existing employees. Establish if a correlation exists between the perceptions of existing employees and ex-employees.
- 7.2.3 Use these findings to identify causal factors that could result in existing employees ending their tenure with the university.
- 7.2.4 These findings will become the catalyst to the pro-active management of UPE's human capital, and the strongest link in a recruitment and retention strategy.
- 7.2.5 Some employees resign from one department and take up a position in another department within the university. It would be a worthwhile study to determine which factors are causing this behaviour too. At the University of Cape Town¹¹³, employees who are promoted into other positions within the university also complete exit interviews in order to determine what the reason is for them accepting the new position. It will soon become evident from these analyses who the employees are who are seeking a better career opportunity.

¹¹³ <http://www.uct.ac.za>

7.3 CONCLUSION

While the findings served to corroborate some well-known reasons in the employee retention market, the researcher trusts that the breakdown of the research sample into various descriptive categories would provide critical insight on employee retention that is specific to the UPE environment.

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EMPLOYMENT EQUITY ACT

NO. 55 OF 1998

[ASSENTED TO 12 OCTOBER, 1998]

[DATE OF COMMENCEMENT TO BE PROCLAIMED]

(Unless otherwise indicated)

(English text signed by the President)

ACT

To provide for employment equity; and to provide for matters incidental thereto.

Preamble .--Recognising--

that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and

that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws,

Therefore, in order to--

promote the constitutional right of equality and the exercise of true democracy;

eliminate unfair discrimination in employment;

ensure the implementation of employment equity to redress the effects of discrimination;

achieve a diverse workforce broadly representative of our people;

promote economic development and efficiency in the workforce; and

give effect to the obligations of the Republic as a member of the International Labour Organisation,

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CHAPTER I

DEFINITIONS, PURPOSE, INTERPRETATION AND APPLICATION

1. **Definitions.**--In this Act, unless the context otherwise indicates--

"Basic Conditions of Employment Act" means the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

"black people" is a generic term which means Africans, Coloureds and Indians;

"CCMA" means the Commission for Conciliation, Mediation and Arbitration, established by section 112 of the Labour Relations Act;

"code of good practice" means a document issued by the Minister in terms of section 54;

"collective agreement" means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by one or more registered trade unions, on the one hand and, on the other hand--

- a. one or more employers;
- b. one or more registered employers' organisations; or
- c. one or more employers and one or more registered employers' organisations;

"Commission" means the Commission for Employment Equity, established by section 28;

"Constitution" means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);

"designated employer" means--

- a. a person who employs 50 or more employees;
- b. a person who employs fewer than 50 employees but has a total annual turnover that is equal to or above the applicable annual turnover of a small business in terms of the Schedule 4 of this Act;
- c. a municipality, as referred to in Chapter 7 of the Constitution;
- d. an organ of state as defined in section 239 of the Constitution, but excluding local spheres of government, the National Defence Force, the National Intelligence Agency and the South African Secret Service; and
- e. an employer bound by collective agreement in terms of section 23 or 31 of the Labour Relations Act, which appoints it as a designated employer in terms of this Act, to the extent provided for in the agreement.

"designated groups" means black people, women and people with disabilities;

"Director-General" means the Director-General of the Department of Labour;

"dismissal" has the meaning assigned to it in section 186 of the Labour Relations Act;

"dispute" includes an alleged dispute;

"employee" means any person other than an independent contractor who--

- a. works for another person or for the State and who receives, or is entitled to receive, any remuneration; and

- b. in any manner assists in carrying on or conducting the business of an employer,

and "employed" and "employment" have corresponding meanings;

"employment law" means any provision of this Act or any of the following Acts:

- a. The Unemployment Insurance Act, 1966 (Act No. 30 of 1966);
- b. the Guidance and Placement Act, 1981 (Act No. 62 of 1981);
- c. the Manpower Training Act, 1981 (Act No. 56 of 1981);
- d. the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993);
- e. the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993);
- f. the Labour Relations Act, 1995 (Act No. 66 of 1995);
- g. the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
- h. any other Act, whose administration has been assigned to the Minister.

"employment policy or practice" includes, but is not limited to--

- a. recruitment procedures, advertising and selection criteria;
- b. appointments and the appointment process;
- c. job classification and grading;
- d. remuneration, employment benefits and terms and conditions of employment;
- e. job assignments;
- f. the working environment and facilities;
- g. training and development;
- h. performance evaluation systems;
- i. promotion;
- j. transfer;
- k. demotion;
- l. disciplinary measures other than dismissal; and
- m. dismissal.

"family responsibility" means the responsibility of employees in relation to their spouse or partner, their dependant children or other members of their immediate family who need their care or support;

"HIV" means the Human Immunodeficiency Virus;

"labour inspector" means a person appointed in terms of section 65 of the Basic Conditions of Employment Act;

"Labour Relations Act" means the Labour Relations Act, 1995 (Act No. 66 of 1995);

"medical testing" includes any test, question, inquiry or other means designed to ascertain, or which has the effect of enabling the employer to ascertain, whether an employee has any medical condition;

"Minister" means the Minister of Labour;

"NEDLAC" means the National Economic, Development and Labour Council established by section 2 of the National Economic, Development and Labour Council Act, 1994 (Act No. 35 of 1994);

"organ of state" means an organ of state as defined in section 239 of the Constitution;

"people with disabilities" means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment;

"pregnancy" includes intended pregnancy, termination of pregnancy and any medical circumstances related to pregnancy;

"prescribed" means prescribed by a regulation made under section 55;

"public service" means the public service referred to in section 1 (1) of the Public Service Act, 1994 (promulgated by Proclamation No. 103 of 1994), and includes any organisational component contemplated in section 7 (4) of that Act and specified in the first column of Schedule 2 to that Act, but excluding--

- a. the National Defence Force;
- b. the National Intelligence Agency; and
- c. the South African Secret Service.

"reasonable accommodation" means any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment;

"registered employers' organisation" means an employers' organisation as defined in section 213 of the Labour Relations Act and registered in terms of section 96 of that Act;

"registered trade union" means a trade union as defined in section 213 of the Labour Relations Act and registered in terms of section 96 of that Act;

"remuneration" means any payment in money or in kind, or both in money and in kind, made or owing to any person in return for that person working for any other person, including the State;

"representative trade union" means a registered trade union, or two or more registered trade unions acting jointly, that are sufficiently representative of the employees employed by an employer in a workplace;

"Republic" means the Republic of South Africa as defined in the Constitution;

"serve" or **"submit"**, in relation to any communication, means either--

- a. to send it in writing delivered by hand or registered post; or
- b. to transmit it using any electronic mechanism as a result of which the recipient is capable of printing the communication;

"suitably qualified person" means a person contemplated in sections 20 (3) and (4);

"this Act" includes any regulations made under section 55, but excludes any footnote;

"trade union representative" means a member of a registered trade union who is elected to represent employees in a workplace;

"workplace forum" means a workplace forum established in terms of Chapter V of the Labour Relations Act.

2. Purpose of this Act.--The purpose of this Act is to achieve equity in the workplace by--

- a. promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- b. implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

3. Interpretation of this Act.--This Act must be interpreted--

- a. in compliance with the Constitution;
- b. so as to give effect to its purpose;

- c. taking into account any relevant code of good practice issued in terms of this Act or any other employment law; and
- d. in compliance with the international law obligations of the Republic, in particular those contained in the International Labour Organisation Convention (No. 111) concerning Discrimination in Respect of Employment and Occupation.

- 4. Application of this Act.**--(1) Chapter II of this Act applies to all employees and employers.
- (2) Except where Chapter III provides otherwise, Chapter III of this Act applies only to designated employers and people from designated groups.
- (3) This Act does not apply to members of the National Defence Force, the National Intelligence Agency, or the South African Secret Service¹.

CHAPTER II

PROHIBITION OF UNFAIR DISCRIMINATION

- 5. Elimination of unfair discrimination.**--Every employer must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice.
- 6. Prohibition of unfair discrimination.**--(1) No person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice, on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth.
- (2) It is not unfair discrimination to--
- a. take affirmative action measures consistent with the purpose of this Act; or
 - b. distinguish, exclude or prefer any person on the basis of an inherent requirement of a job.
- (3) Harassment of an employee is a form of unfair discrimination and is prohibited on any one, or a combination of grounds of unfair discrimination listed in subsection (1).
- 7. Medical testing.**--(1) Medical testing of an employee is prohibited, unless--
- a. legislation permits or requires the testing; or
 - b. it is justifiable in the light of medical facts, employment conditions, social policy, the fair distribution of employee benefits or the inherent requirements of a job.
- (2) Testing of an employee to determine that employee's HIV status is prohibited unless such testing is determined justifiable by the Labour Court in terms of section 50 (4) of this Act.
- 8. Psychometric testing.**--Psychometric testing and other similar assessments of an employee are prohibited unless the test or assessment being used--
- a. has been scientifically shown to be valid and reliable;
 - b. can be applied fairly to employees; and
 - c. is not biased against any employee or group.

9. Applicants.--For purposes of sections 6, 7 and 8, "employee" includes an applicant for employment.

10. Disputes concerning this Chapter.--(1) In this section, the word "dispute" excludes a dispute about an unfair dismissal, which must be referred to the appropriate body for conciliation and arbitration or adjudication in terms of Chapter VIII of the Labour Relations Act.

(2) Any party to a dispute concerning this Chapter may refer the dispute in writing to the CCMA within six months after the act or omission that allegedly constitutes unfair discrimination.

(3) The CCMA may at any time permit a party that shows good cause to refer a dispute after the relevant time limit set out in subsection (2).

(4) The party that refers a dispute must satisfy the CCMA that--

- a. a copy of the referral has been served on every other party to the dispute; and
- b. the referring party has made a reasonable attempt to resolve the dispute.

(5) The CCMA must attempt to resolve the dispute through conciliation.

(6) If the dispute remains unresolved after conciliation--

- a. any party to the dispute may refer it to the Labour Court for adjudication; or
- b. all the parties to the dispute may consent to arbitration of the dispute.

(7) The relevant provisions of Parts C and D of Chapter VII of the Labour Relations Act, with the changes required by context, apply in respect of a dispute in terms of this Chapter.

11. Burden of proof.--Whenever unfair discrimination² is alleged in terms of this Act, the employer against whom the allegation is made must establish that it is fair.

CHAPTER III AFFIRMATIVE ACTION

12. Application of this Chapter.--Except where otherwise provided, this Chapter applies only to designated employers.

13. Duties of designated employers.--(1) Every designated employer must, in order to achieve employment equity, implement affirmative action measures for people from designated groups in terms of this Act.

(2) A designated employer must--

- a. consult with its employees as required by section 16;
- b. conduct an analysis as required by section 19;
- c. prepare an employment equity plan as required by section 20; and
- d. report to the Director-General on progress made in implementing its employment equity plan, as required by section 21.

14. Voluntary compliance with this Chapter.--An employer that is not a designated employer may notify the Director-General that it intends to comply with this Chapter as if it were a designated employer.

15. Affirmative action measures--(1) Affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

(2) Affirmative action measures implemented by a designated employer must include--

- a. measures to identify and eliminate employment barriers, including unfair discrimination, which adversely affect people from designated groups;
- b. measures designed to further diversity in the workplace based on equal dignity and respect of all people;
- c. making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer;
- d. subject to subsection (3), measures to--
 - i. ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce; and
 - ii. retain and develop people from designated groups and to implement appropriate training measures, including measures in terms of an Act of Parliament providing for skills development.

(3) The measures referred to in subsection (2) (d) include preferential treatment and numerical goals, but exclude quotas.

(4) Subject to section 42, nothing in this section requires a designated employer to take any decision concerning an employment policy or practice that would establish an absolute barrier to the prospective or continued employment or advancement of people who are not from designated groups.

16. Consultation with employees--(1) A designated employer must take reasonable steps to consult and attempt to reach agreement on the matters referred to in section 17--

- a. with a representative trade union representing members at the workplace and its employees or representatives nominated by them; or
- b. if no representative trade union represents members at the workplace, with its employees or representatives nominated by them.

(2) The employees or their nominated representatives with whom an employer consults in terms of subsection (1) (a) and (b), taken as a whole, must reflect the interests of--

- a. employees from across all occupational categories and levels of the employer's workforce;
- b. employees from designated groups; and
- c. employees who are not from designated groups.

(3) This section does not affect the obligation of any designated employer in terms of section 86 of the Labour Relations Act to consult and reach consensus with a workplace forum on any of the matters referred to in section 17 of this Act.

17. Matters for consultation.--A designated employer must consult the parties referred to in section 16 concerning--

- a. the conduct of the analysis referred to in section 19;
- b. the preparation and implementation of the employment equity plan referred to in section 20; and
- c. a report referred to in section 21.

18. Disclosure of information.--(1) When a designated employer engages in consultation in terms of this Chapter, that employer must disclose to the consulting parties all relevant information that will allow those parties to consult effectively.

(2) Unless this Act provides otherwise, the provisions of section 163 of the Labour Relations Act, with the changes required by context, apply to disclosure of information.

19. Analysis.--(1) A designated employer must collect information and conduct an analysis, as prescribed, of its employment policies, practices, procedures and the working environment, in order to identify employment barriers which adversely affect people from designated groups.

(2) An analysis conducted in terms of subsection (1) must include a profile, as prescribed, of the designated employer's workforce within each occupational category and level in order to determine the degree of underrepresentation of people from designated groups in various occupational categories and levels in that employer's workforce.

20. Employment equity plan.--(1) A designated employer must prepare and implement an employment equity plan which will achieve reasonable progress towards employment equity in that employer's workforce.

(2) An employment equity plan prepared in terms of subsection (1) must state--

- a. the objectives to be achieved for each year of the plan;
- b. the affirmative action measures to be implemented as required by section 15 (2);
- c. where underrepresentation of people from designated groups has been identified by the analysis, the numerical goals⁴ to achieve the equitable representation of suitably qualified people from designated groups within each occupational category and level in the workforce, the timetable within which this is to be achieved, and the strategies intended to achieve those goals;
- d. the timetable for each year of the plan for the achievement of goals and objectives other than numerical goals;
- e. the duration of the plan, which may not be shorter than one year or longer than five years;
- f. the procedures that will be used to monitor and evaluate the implementation of the plan and whether reasonable progress is being made towards implementing employment equity;

- g. the internal procedures to resolve any dispute about the interpretation or implementation of the plan;
- h. the persons in the workforce, including senior managers, responsible for monitoring and implementing the plan; and
- i. any other prescribed matter.

(3) For purposes of this Act, a person may be suitably qualified for a job as a result of any one of, or any combination of that person's--

- a. formal qualifications;
- b. prior learning;
- c. relevant experience; or
- d. capacity to acquire, within a reasonable time, the ability to do the job.

(4) When determining whether a person is suitably qualified for a job, an employer must--

- a. review all the factors listed in subsection (3); and
- b. determine whether that person has the ability to do the job in terms of any one of, or any combination of those factors.

(5) In making a determination under subsection (4), an employer may not unfairly discriminate against a person solely on the grounds of that person's lack of relevant experience.

(6) An employment equity plan may contain any other measures that are consistent with the purposes of this Act.

21. Report5.--(1) A designated employer that employs fewer than 150 employees must--

- a. submit its first report to the Director-General within 12 months after the commencement of this Act or, if later, within 12 months after the date on which that employer became a designated employer; and
- b. thereafter, submit a report to the Director-General once every two years, on the first working day of October.

(2) A designated employer that employs 150 or more employees must--

- a. submit its first report to the Director-General within six months after the commencement of this Act or, if later, within six months after the date on which that employer became a designated employer; and
- b. thereafter, submit a report to the Director-General once every year on the first working day of October.

(3) Despite subsections (1) and (2), a designated employer that submits its first report in the 12-month period preceding the first working day of October, should only submit its second report on the first working day of October in the following year.

(4) The reports referred to in subsections (1) and (2) must contain the prescribed information and must be signed by the chief executive officer of the designated employer.

(5) An employer who becomes a designated employer in terms of the Act must--

- a. report as contemplated in this section for the duration of its current employment equity plan; and
- b. notify the Director-General in writing if it is unable to report as contemplated in this section, and give reasons therefor.

(6) Every report prepared in terms of this section is a public document.

22. Publication of report.--(1) Every designated employer that is a public company must publish a summary of a report required by section 21 in that employer's annual financial report.

(2) When a designated employer within any organ of state has produced a report in terms of section 21, the Minister responsible for that employer must table that report in Parliament.

23. Successive employment equity plans.--Before the end of the term of its current employment equity plan, a designated employer must prepare a subsequent employment equity plan.

24. Designated employer must assign manager.--(1) Every designated employer must--

- a. assign one or more senior managers to take responsibility for monitoring and implementing an employment equity plan;
- b. provide the managers with the authority and means to perform their functions; and
- c. take reasonable steps to ensure that the managers perform their functions.

(2) The assignment of responsibility to a manager in terms of subsection (1) does not relieve the designated employer of any duty imposed by this Act or any other law.

25. Duty to inform.--(1) An employer must display at the workplace where it can be read by employees a notice in the prescribed form, informing them about the provisions of this Act.

(2) A designated employer must, in each of its workplaces, place in prominent places that are accessible to all employees--

- a. the most recent report submitted by that employer to the Director-General;
- b. any compliance order, arbitration award or order of the Labour Court concerning the provisions of this Act in relation to that employer; and
- c. any other document concerning this Act as may be prescribed.

(3) An employer who has an employment equity plan, must make a copy of the plan available to its employees for copying and consultation.

26. Duty to keep records.--An employer must establish and, for the prescribed period, maintain records in respect of its workforce, its employment equity plan and any other records relevant to its compliance with this Act.

27. Income differentials.--(1) Every designated employer, when reporting in terms of section 21 (1) and (2), must submit a statement, as prescribed, to the Employment Conditions of Commission established by section 59 of the Basic Conditions of Employment Act, on the remuneration and benefits received in each occupational category and level of that employer's workforce.

(2) Where disproportionate income differentials are reflected in the statement contemplated in subsection (1), a designated employer must take measures to progressively reduce such differentials subject to guidance as may be given by the Minister as contemplated in subsection (4).

(3) The measures referred to in subsection (2) may include--

- a. collective bargaining;
- b. compliance with sectoral determinations made by the Minister in terms of section 51 of the Basic Conditions of Employment Act;
- c. applying the norms and benchmarks set by the Employment Conditions Commission;
- d. relevant measures contained in skills development legislation;

(4) The Employment Conditions Commission must research and investigate norms and benchmarks for proportionate income differentials and advise the Minister on appropriate measures for reducing disproportional differentials.

(5) The Employment Conditions Commission may not disclose any information pertaining to individual employees or employers.

(6) Parties to a collective bargaining process may request the information contained in the statement contemplated in subsection (1) for the collective bargaining purposes subject to section 16 (4) and (5) of the Labour Relations Act.

CHAPTER IV

COMMISSION FOR EMPLOYMENT EQUITY

28. Establishment of Commission for Employment Equity.--The Commission for Employment Equity is hereby established.

(Date of commencement 14 May, 1999)

29. Composition of Commission for Employment Equity.--(1) The Commission consists of a chairperson and eight other members appointed by the Minister to hold office on a part-time basis.

(2) The members of the Commission must include--

- a. two people nominated by those voting members of NEDLAC who represent organised labour;
- b. two people nominated by those voting members of NEDLAC who represent organised business;
- c. two people nominated by those voting members of NEDLAC who represent the State; and

- d. two people nominated by those voting members of NEDLAC who represent the organisations of community and development interests in the Development Chamber in NEDLAC.

(3) A party that nominates persons in terms of subsection (2) must have due regard to promoting the representivity of people from designated groups.

(4) The Chairperson and each other member of the Commission--

- a. must have experience and expertise relevant to the functions contemplated in section 30;
- b. must act impartially when performing any function of the Commission;
- c. may not engage in any activity that may undermine the integrity of the Commission; and
- d. must not participate in forming or communicating any advice on any matter in respect of which they have a direct financial interest or any other conflict of interest.

(5) The Minister must appoint a member of the Commission to act as chairperson whenever the office of chairperson is vacant.

(6) The members of the Commission must choose from among themselves a person to act in the capacity of chairperson during the temporary absence of the chairperson.

(7) The Minister may determine--

- a. the term of office for the chairperson and for each member of the Commission, but no member's term of office may exceed five years;
- b. the remuneration and allowances to be paid to members of the Commission with the concurrence of the Minister of Finance; and
- c. any other conditions of appointment not provided for in this section.

(8) The chairperson and members of the Commission may resign by giving at least one month's written notice to the Minister.

(9) The Minister may remove the chairperson or a member of the Commission from office for--

- a. serious misconduct;
- b. permanent incapacity;
- c. that person's absence from three consecutive meetings of the Commission without the prior permission of the chairperson, except on good cause shown; or
- d. engaging in any activity that may undermine the integrity of the Commission.

(Date of commencement of s. 29: 14 May, 1999)

30. Functions of Commission for Employment Equity.--(1) The Commission advises the Minister on--

- a. codes of good practice issued by the Minister in terms of section 54;
- b. regulations made by the Minister in terms of section 55; and

- c. policy and any other matter concerning this Act.

(2) In addition to the functions in subsection (1) the Commission may--

- a. make awards recognising achievements of employers in furthering the purpose of this Act;
- b. research and report to the Minister on any matter relating to the application of this Act, including appropriate and well-researched norms and benchmarks for the setting of numerical goals in various sectors; and
- c. perform any other prescribed function.

(Date of commencement of s. 30: 14 May, 1999)

31. Staff and expenses.--Subject to the laws governing the public service, the Minister must provide the Commission with the staff necessary for the performance of its functions.

(Date of commencement 14 May, 1999)

32. Public hearings.--In performing its functions, the Commission may--

- a. call for written representations from members of the public; and
- b. hold public hearings at which it may permit members of the public to make oral representations.

(Date of commencement of s. 32: 14 May, 1999)

33. Report by Commission for Employment Equity.--The Commission must submit an annual report to the Minister.

(Date of commencement 14 May, 1999)

CHAPTER V

MONITORING, ENFORCEMENT AND LEGAL PROCEEDINGS

PART A

Monitoring

34. Monitoring by employees and trade union representatives--Any employee or trade union representative may bring an alleged contravention of this Act to the attention of--

- a. another employee;
- b. an employer;
- c. a trade union;
- d. a workplace forum;
- e. a labour inspector;
- f. the Director-General; or
- g. (g) the Commission.

Enforcement

35. Powers of labour inspectors.--A labour inspector acting in terms of this Act has the authority to enter, question and inspect as provided for in sections 65 and 66 of the Basic Conditions of Employment Act.

36. Undertaking to comply.--A labour inspector must request and obtain a written undertaking from a designated employer to comply with paragraphs (a) to (j) within a specified period, if the inspector has reasonable grounds to believe that the employer has failed to--

- a. consult with employees as required by section 16;
- b. conduct an analysis as required by section 19;
- c. prepare an employment equity plan as required by section 20;
- d. implement its employment equity plan;
- e. submit an annual report as required by section 21;
- f. publish its report as required by section 22;
- g. prepare a successive employment equity plan as required by section 23;
- h. assign responsibility to one or more senior managers as required by section 24;
- i. inform its employees as required by section 25; or
- j. keep records as required by section 26.

37. Compliance order.--(1) A labour inspector may issue a compliance order to a designated employer if that employer has--

- a. refused to give a written undertaking in terms of section 36, when requested to do so; or
- b. failed to comply with a written undertaking given in terms of section 36.

(2) A compliance order issued in terms of subsection (1) must set out--

- a. the name of the employer, and the workplaces to which the order applies;
- b. those provisions of Chapter III of this Act which the employer has not complied with and details of the conduct constituting non-compliance;
- c. any written undertaking given by the employer in terms of section 36 and any failure by the employer to comply with the written undertaking;
- d. any steps that the employer must take and the period within which those steps must be taken;
- e. the maximum fine, if any, that may be imposed on the employer in terms of Schedule 1 for failing to comply with the order; and
- f. any other prescribed information.

(3) A labour inspector who issues a compliance order must serve a copy of that order on the employer named in it.

(4) A designated employer who receives a compliance order served in terms of subsection (3) must display a copy of that order prominently at a place accessible to the affected employees at each workplace named in it.

(5) A designated employer must comply with the compliance order within the time period stated in it, unless the employer objects to that order in terms of section 39.

(6) If a designated employer does not comply with an order within the period stated in it, or does not object to that order in terms of section 39, the Director-General may apply to the Labour Court to make the compliance order an order of the Labour Court.

38. Limitations.--A labour inspector may not issue a compliance order in respect of a failure to comply with a provision of Chapter III of this Act if--

- a. the employer is being reviewed by the Director-General in terms of section 43; or
- b. the Director-General has referred an employer's failure to comply with a recommendation to the Labour Court in terms of section 45.

39. Objections against compliance order.--(1) A designated employer may object to a compliance order by making written representations to the Director-General within 21 days after receiving that order.

(2) If the employer shows good cause at any time, the Director-General may permit the employer to object after the period of 21 days has expired.

(3) After considering the designated employer's representations and any other relevant information, the Director-General--

- a. may confirm, vary or cancel all or any part of the order to which the employer objected; and
- b. must specify the time period within which that employer must comply with any part of the order that is confirmed or varied.

(4) The Director-General must, after making a decision in terms of subsection (3), and within 60 days after receiving the employer's representations, serve a copy of that decision on that employer.

(5) A designated employer who receives an order of the Director-General must either--

- a. comply with that order within the time period stated in it; or
- b. appeal against that order to the Labour Court in terms of section 40.

(6) If a designated employer does not comply with an order of the Director-General, or does not appeal against that order, the Director-General may apply to the Labour Court for that order to be made an order of the Labour Court.

40. Appeal from compliance order.--(1) A designated employer may appeal to the Labour Court against a compliance order of the Director-General within 21 days after receiving that order.

(2) The Labour Court may at any time permit the employer to appeal after the 21-day time limit has expired, if that employer shows good cause for failing to appeal within that time limit.

(3) If the designated employer has appealed against an order of the Director-General, that order is suspended until the final determination of--

- a. the appeal by the Labour Court; or

- b. any appeal against the decision of the Labour Court in that matter.

41. Register of designated employers.--(1) The Minister must keep a register of designated employers that have submitted the reports required by section 21.

(2) The register referred to in subsection (1) is a public document.

42. Assessment of compliance.--In determining whether a designated employer is implementing employment equity in compliance with this Act, the Director-General or any person or body applying this Act must, in addition to the factors stated in section 15, take into account all of the following:

- a. The extent to which suitably qualified people from and amongst the different designated groups are equitably represented within each occupational category and level in that employer's workforce in relation to the--
 - i. demographic profile of the national and regional economically active population;
 - ii. pool of suitably qualified people from designated groups from which the employer may reasonably be expected to promote or appoint employees;
 - iii. economic and financial factors relevant to the sector in which the employer operates;
 - iv. present and anticipated economic and financial circumstances of the employer; and
 - v. the number of present and planned vacancies that exist in the various categories and levels, and the employer's labour turnover;
- b. progress made in implementing employment equity by other designated employers operating under comparable circumstances and within the same sector;
- c. reasonable efforts made by a designated employer to implement its employment equity plan;
- d. the extent to which the designated employer has made progress in eliminating employment barriers that adversely affect people from designated groups; and
- e. any other prescribed factor.

43. Review by Director-General.--(1) The Director-General may conduct a review to determine whether an employer is complying with this Act.

(2) In order to conduct the review the Director-General may--

- a. request an employer to submit to the Director-General a copy of its current analysis or employment equity plan;
- b. request an employer to submit to the Director-General any book, record, correspondence, document or information that could reasonably be relevant to the review of the employer's compliance with this Act;
- c. request a meeting with an employer to discuss its employment equity plan, the implementation of its plan and any matters related to its compliance with this Act; or

- d. request a meeting with any--
 - i. employee or trade union consulted in terms of section 16;
 - ii. workplace forum; or
 - iii. other person who may have information relevant to the review.

44. Outcome of Director-General's review.--Subsequent to a review in terms of section 43, the Director-General may--

- a. approve a designated employer's employment equity plan; or
- b. make a recommendation to an employer, in writing, stating--
 - i. steps which the employer must take in connection with its employment equity plan or the implementation of that plan, or in relation to its compliance with any other provision of this Act; and
 - ii. the period within which those steps must be taken; and
 - iii. any other prescribed information.

45. Failure to comply with Director-General's recommendation.--If an employer fails to comply with a request made by the Director-General in terms of section 43 (2) or a recommendation made by the Director-General in terms of section 44 (b), the Director-General may refer the employer's non-compliance to the Labour Court.

PART B

Legal proceedings

46. Conflict of proceedings.--(1) If a dispute has been referred to the CCMA by a party in terms of Chapter II and the issue to which the dispute relates also forms the subject of a referral to the Labour Court by the Director-General in terms of section 45, the CCMA proceedings must be stayed until the Labour Court makes a decision on the referral by the Director-General.

(2) If a dispute has been referred to the CCMA by a party in terms of Chapter II against an employer being reviewed by the Director-General in terms of section 43, there may not be conciliation or adjudication in respect of the dispute until the review has been completed and the employer has been informed of the outcome.

47. Consolidation of proceedings.--Disputes concerning contraventions of this Act by the same employer may be consolidated.

48. Powers of commissioner in arbitration proceedings.--A commissioner of the CCMA may, in any arbitration proceedings in terms of this Act, make any appropriate arbitration award that gives effect to a provision of this Act.

49. Jurisdiction of Labour Court.--The Labour Court has exclusive jurisdiction to determine any dispute about the interpretation or application of this Act, except where this Act provides otherwise.

50. Powers of Labour Court.--(1) Except where this Act provides otherwise, the Labour Court may make any appropriate order including--

- a. on application by the Director-General in terms of section 37 (6) or 39 (6) making a compliance order an order of the Labour Court;
- b. subject to the provisions of this Act, condoning the late filing of any document with, or the late referral of any dispute to, the Labour Court;
- c. directing the CCMA to conduct an investigation to assist the Court and to submit a report to the Court;
- d. awarding compensation in any circumstances contemplated in this Act;
- e. awarding damages in any circumstances contemplated in this Act;
- f. ordering compliance with any provision of this Act; including a request made by the Director-General in terms of section 43 (2) or a recommendation made by the Director-General in terms of section 44 (b);
- g. imposing a fine in accordance with Schedule 1 for a contravention of certain provisions of this Act;
- h. reviewing the performance or purported performance of any function provided for in this Act or any act or omission of any person or body in terms of this Act on any grounds that are permissible in law;
- i. in an appeal under section 40, confirming, varying or setting aside all or part of an order made by the Director-General in terms of section 39; and
- j. dealing with any matter necessary or incidental to performing its functions in terms of this Act.

(2) If the Labour Court decides that an employee has unfairly discriminated against, the Court may make any appropriate order that is just and equitable in the circumstances, including--

- a. payment of compensation by the employer to that employee;
- b. payment of damages by the employer to that employee;
- c. an order directing the employer to take steps to prevent the same unfair discrimination or a similar practice occurring in the future in respect of other employees;
- d. an order directing an employer, other than a designated employer, to comply with Chapter III as if it were a designated employer;
- e. an order directing the removal of the employer's name from the register referred to in section 41; or
- f. the publication of the Court's order.

(3) The Labour Court, in making any order, may take into account any delay on the part of the party who seeks relief in processing a dispute in terms of this Act.

(4) If the Labour Court declares that the medical testing of an employee as contemplated in section 7 is justifiable, the court may make any order that it considers appropriate in the circumstances, including imposing conditions relating to--

- a. the provision of counselling;

- b. the maintenance of confidentiality;
- c. the period during which the authorisation for any testing applies; and
- d. the category or categories of jobs or employees in respect of which the authorisation for testing applies.

PART C

Protection of employee rights

51. Protection of employee rights.--(1) No person may discriminate against an employee who exercises any right conferred by this Act.

(2) Without limiting the general protection conferred by subsection (1), no person may threaten to do, or do any of the following:

- a. Prevent an employee from exercising any right conferred by this Act or from participating in any proceedings in terms of this Act; or
- b. prejudice an employee because of past, present or anticipated--
 - i. disclosure of information that the employee is lawfully entitled or required to give to another person;
 - ii. exercise of any right conferred by this Act; or
 - iii. participation in any proceedings in terms of this Act.

(3) No person may favour, or promise to favour, an employee in exchange for that employee not exercising any right conferred by this Act or not participating in any proceedings in terms of this Act.

(4) Nothing in this section precludes the parties to a dispute arising out of an alleged breach of any right conferred by this Part, from concluding an agreement to settle the dispute.

(5) For the purposes of this section "employee" includes a former employee or an applicant for employment.

52. Procedure for disputes--(1) If there is a dispute about the interpretation or application of this Part, any party to the dispute may refer it in writing to the CCMA.

(2) The CCMA must attempt to resolve a dispute referred to it in terms of this Part through conciliation.

(3) If the dispute remains unresolved after conciliation--

- a. any party to the dispute may refer it to the Labour Court for adjudication; or
- b. all the parties to the dispute may consent to arbitration of the dispute by the CCMA.

(4) In respect of a dispute in terms of this Part, the relevant provisions of Part C and D of Chapter VII of the Labour Relations Act apply, read with the changes required by the context.

CHAPTER VI GENERAL PROVISIONS

53. State contracts--(1) Every employer that makes an offer to conclude an agreement with any organ of state for the furnishing of supplies or services to that organ of state or for the hiring or letting of anything--

- a. must--
 - i. if it is a designated employer, comply with Chapters II and III of this Act; or
 - ii. if it is not a designated employer, comply with Chapter II of this Act; and
- b. attach to that offer either--
 - i. a certificate in terms of subsection (2) which is conclusive evidence that the employer complies with the relevant Chapters of this Act; or
 - ii. a declaration by the employer that it complies with the relevant Chapters of this Act, which, when verified by the Director-General, is conclusive evidence of compliance.

(2) An employer referred to in subsection (1) may request a certificate from the Minister confirming its compliance with Chapter II, or Chapters II and III, as the case may be.

(3) A certificate issued in terms of subsection (2) is valid for 12 months from the date of issue or until the next date on which the employer is obliged to submit a report in terms of section 21, whichever period is the longer.

(4) A failure to comply with the relevant provisions of this Act is sufficient ground for rejection of any offer to conclude an agreement referred to in subsection (1) or for cancellation of the agreement⁷.

54. Codes of good practice--(1) The Minister may, on the advice of the Commission--

- a. issue any code of good practice⁸; and
- b. change or replace any code of good practice.

(2) Any code of good practice, or any change to, or replacement of, a code of good practice must be published in the Gazette.

55. Regulations--(1) The Minister may, by notice in the Gazette and on the advice of the Commission, make any regulation regarding--

- a. any matter that this Act requires or permits to be prescribed; and
- b. any administrative or procedural matters that may be necessary or expedient to achieve the proper and effective administration of this Act.

(2) The Minister must by notice in the Gazette make a regulation providing for separate and simplified forms and procedures in respect of the obligations created by sections 19, 20, 21, 25 and 26 for employers that employ 150 or fewer employees.

56. Delegations--(1) The Minister may delegate any power conferred, or assign any duty imposed, upon the Minister in terms of this Act, except the powers and duties contemplated in sections 29 (1), (5) and (7), 53 (2), 54, 55, 59 (4) and 61 (4).

(2) A delegation or assignment must be in writing and may be subject to any conditions or restrictions determined by the Minister.

(3) The Minister may at any time--

- a. withdraw a delegation or assignment made in terms of subsection (1); and
- b. withdraw or amend any decision made by a person exercising a power or performing a duty delegated or assigned in terms of subsection (1).

(4) The Director-General may delegate any power conferred, or assign any duty imposed, upon the Director-General in terms of this Act, to any employee in the Department.

(5) Subsections (2) and (3) apply with the changes required by the context to any delegation or assignment by the Director-General under subsection (4).

57. Temporary employment services--(1) For purposes of Chapter III of this Act, a person whose services have been procured for, or provided to, a client by a temporary employment service is deemed to be the employee of that client, where that person's employment with the client is of indefinite duration or for a period of three months or longer.

(2) Where a temporary employment service, on the express or implied instructions of a client, commits an act of unfair discrimination, both the temporary employment service and the client are jointly and severally liable.

58. Designation of organs of state.--The President must, within six months after the commencement of this Act, and after consultation with the Minister responsible for the Public Service and Administration, publish a notice in the Gazette listing every designated employer within any organ of state.

59. Breach of confidentiality.--(1) Any person who discloses any confidential information acquired in the performance of a function in terms of this Act, commits an offence.

(2) Subsection (1) does not apply if the information--

- a. is disclosed to enable a person to perform a function in terms of this Act; or
- b. must be disclosed in terms of this Act, any other law or an order of court.

(3) A person convicted of an offence in terms of this section may be sentenced to a fine not exceeding R10 000,00.

(4) The Minister may, with the concurrence of the Minister of Justice and by notice in the Gazette, amend the maximum amount of the fine referred to in subsection (3) in order to counter the effect of inflation.

60. Liability of employers.--(1) If it is alleged that an employee, while at work, contravened a provision of this Act, or engaged in any conduct that, if engaged in by that employee's employer, would constitute a contravention of a provision of this Act, the alleged conduct must immediately be brought to the attention of the employer.

(2) The employer must consult all relevant parties and must take the necessary steps to eliminate the alleged conduct and comply with the provisions of this Act.

(3) If the employer fails to take the necessary steps referred to in subsection (2), and it is proved that the employee has contravened the relevant provision, the employer must be deemed also to have contravened that provision.

(4) Despite subsection (3), an employer is not liable for the conduct of an employee if that employer is able to prove that it did all that was reasonably practicable to ensure that the employee would not act in contravention of this Act.

61. Obstruction, undue influence and fraud.--(1) No person may--

- a. obstruct or attempt to improperly influence any person who is exercising a power or performing a function in terms of this Act; or
- b. knowingly give false information in any document or information provided to the Director-General or a labour inspector in terms of this Act.

(2) No employer may knowingly take any measure to avoid becoming a designated employer.

(3) A person who contravenes a provision of this section commits an offence and may be sentenced to a fine not exceeding R10 000,00.

(4) The Minister may, with the concurrence of the Minister of Justice and by notice in the Gazette, amend the maximum amount of the fine referred to in subsection (3) in order to counter the effect of inflation.

62. This Act binds the State.--This Act binds the State.

63. Application of Act when in conflict with other laws.--If any conflict relating to a matter dealt with in this Act arises between this Act and the provisions of any other law other than the Constitution or an Act of Parliament expressly amending this Act, the provisions of this Act prevail.

64. Repeal of laws and transitional arrangements.--Each of the laws referred to in the first two columns of Schedule 2 is repealed to the extent specified opposite that law in the third column of that Schedule.

65. Short title and commencement.--(1) This Act is called the Employment Equity Act, 1998.

(2) This Act takes effect on a date to be determined by the President by proclamation in the Gazette. The President may determine different dates in respect of different provisions of this Act.

(3) If, in terms of subsection (2), different dates are determined for particular provisions of this Act--

- a. Schedule 2 must take effect at the same time as section 6 (1) takes effect; and
- b. a reference in a provision of this Act to a time when this Act took effect must be construed as a reference to the time when that provision takes effect.

Schedule 1

MAXIMUM PERMISSIBLE FINES THAT MAY BE IMPOSED FOR CONTRAVENING THIS ACT

This Schedule sets out the maximum fine that may be imposed in terms of this Act for the contravention of certain provisions of this Act.

<i>Previous Contravention</i>	<i>Contravention of any Provision of Sections 16, 19, 20, 21, 22 and 23</i>
No previous contravention	R500 000
A previous contravention in respect of the same provision	R600 000
A previous contravention within the previous 12 months or two previous contraventions in respect of the same provision within three years	R700 000
Three previous contraventions in respect of the same provision within three years	R800 000
Four previous contraventions in respect of the same provision within three years	R900 000

Schedule 2

LAWS REPEALED

<i>Number and year of law</i>	<i>Short title</i>	<i>Extent of repeal</i>
Act No. 66 of 1995	Labour Relations Act, 1995	Item 2 (1) (a), 2 (2) and 3 (4) (a) of Schedule 7

Schedule 3

TRANSITIONAL ARRANGEMENTS

- 1. Definitions.**--In this Schedule, unless the context indicates otherwise--
"pending" means existing immediately before this Act came into operation; and
"repealed provisions of the Labour Relations Act" means the provisions of the Labour Relations Act repealed by Schedule 2.
- 2. Disputes arising before commencement of this Act.**--Any dispute contemplated in item (2) (1) (a) of Schedule 7 of the Labour Relations Act that arose before the commencement of this Act, must be dealt with as if the repealed provisions of the Labour Relations Act had not been repealed.
- 3. Courts.**--(1) In any pending dispute contemplated in item (2) (1) (a) of Schedule 7 of the Labour Relations Act in respect of which the Labour Court or the Labour Appeal Court had jurisdiction and in respect of which proceedings had not been instituted before the commencement of this Act, proceedings must be instituted in the Labour Court or Labour Appeal Court (as the case may be) and dealt with as if the repealed provisions of the Labour Relations Act had not been repealed.
(2) Any dispute contemplated in item (2) (1) (a) of Schedule 7 of the Labour Relations Act in respect of which proceedings were pending in the Labour Court or Labour Appeal Court must be proceeded with as if the repealed provisions of the Labour Relations Act had not been repealed.

(3) Any pending appeal before the Labour Appeal Court must be dealt with by the Labour Appeal Court as if the repealed provisions of the Labour Relations Act had not been repealed.

(4) When acting in terms of subitems (1) to (3), the Labour Court or Labour Appeal Court may perform or exercise any function or power that it had in terms of the repealed provisions of the Labour Relations Act.

Schedule 4

TURNOVER THRESHOLD APPLICABLE TO DESIGNATED EMPLOYERS

<i>Sector or subsectors in accordance with the Standard Industrial Classification</i>	<i>Total annual turnover</i>
Agriculture	R2,00 m
Mining and Quarrying	R7,50 m
Manufacturing	R10,00 m
Electricity, Gas and Water	R10,00 m
Construction	R5,00 m
Retail and Motor Trade and Repair Services	R15,00 m
Wholesale Trade, Commercial Agents and Allied Services	R25,00 m
Catering, Accommodation and other Trade	R5,00 m
Transport, Storage and Communications	R10,00 m
Finance and Business Services	R10,00 m
Community, Special and Personal Services	R5,00 m



**University of Port Elizabeth
School of Social Sciences and Humanities**

An exploration into the reasons for the resignation of ex-employees from the University of Port Elizabeth against international indicators in employee retention

Researcher: Amber Anderson

Date:

I BIOGRAPHICAL INFORMATION

Please answer the questions/statements by indicating a cross (X) in the appropriate block.

1. Are you?

Male	Female

2. Please indicate your race/ethnicity

Black	White	Coloured	Asian

3. Are you challenged (disabled) in any way?

Yes	No

4. What position did you occupy at UPE?

Academic	Non-academic

5.1 Indicate your occupational category if you were an academic

Professor	Associate Professor	Senior Lecturer	Lecturer	Junior Lecturer	Research

OR

5.2 Indicate your occupational category if you were a non-academic

Executive Management	Senior & Middle Management	Administrative Staff	Technical Service	Service Workers	Other (please specify)

6. How old were you when you resigned from UPE?

25 years and younger	26-35 years	36-45 years	46 years and older

7. Number of years of service at UPE

0-4 years	5-10 years	11-20 years	21 years or more

8. Year of resignation

2000	2001	2002

II. RETENTION ISSUES

A. YOUR PERCEPTION OF WORK-RELATED ISSUES AT UPE.

9. Indicate how satisfied you were with each of the following

Please answer the statements by indicating a cross (X) in the appropriate block.

My WORK ENVIRONMENT		Very Dissatisfied 1	Fairly Dissatisfied 2	Average 3	Fairly Satisfied 4	Very Satisfied 5
9.1	UPE's manner of communicating with me	1	2	3	4	5
9.2	My workstation	1	2	3	4	5
9.3	My work tools	1	2	3	4	5
9.4	Opportunities to balance my work and personal life activities	1	2	3	4	5
9.5	My relationship with co-workers	1	2	3	4	5
9.6	The organisational culture ("way of life")	1	2	3	4	5
9.7	Elaborate on your answer to question 9.6.					

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MY DIRECT SUPERVISOR/MANAGER		Very Dissatisfied 1	Fairly Dissatisfied 2	Average 3	Fairly Satisfied 4	Very Satisfied 5
9.8	His/her ability as my supervisor	1	2	3	4	5
9.9	His/her treatment of me	1	2	3	4	5
9.10	His/her commitment to carrying out UPE policies and procedures	1	2	3	4	5
9.11	Understanding my needs	1	2	3	4	5
9.12	Elaborate on your answer to question 9.11.					

TRAINING AND DEVELOPMENT

Please answer the questions by indicating a cross (X) next to the appropriate answer.

10. Did you receive adequate training for your job while at UPE?

Yes		No	
-----	--	----	--

11. Did the training and developmental activities that you were provided with, support your career interests?

Yes		No	
-----	--	----	--

12. Did you have a defined career path?

Yes		No	
-----	--	----	--

13. Were there opportunities for advancement for you?

Yes		No	
-----	--	----	--

14. Please explain your answer to question 13 in the space provided.

REMUNERATION AND BENEFITS

Please answer the questions by indicating a cross (X) next to the appropriate answer.

15. Were you satisfied with your salary package?

Yes		No	
-----	--	----	--

16. Were you satisfied with your benefits package?

Yes		No	
-----	--	----	--

17. Were you satisfied with the policy for awarding merit increases?

Yes		No		I do not know	
-----	--	----	--	---------------	--

B. Positive and Negative Aspects of Working at UPE

Answer the following questions by inserting your comments in the space provided.

18. What was the most positive feature of your employment at UPE?

19. What was the most negative feature of your employment at UPE?

C. Employment Equity

Please answer the questions by indicating a cross (X) next to the appropriate answer.

20. Were you aware of UPE's Employment Equity Plan?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

21. How satisfied were you with the implementation of UPE's employment equity plan?

Very dissatisfied	Fairly dissatisfied	Average	Fairly satisfied	Very satisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. In your opinion, will the following factors facilitate the achievement of employment equity at UPE?

Please answer the question by indicating a cross (X) in the appropriate block.

No.	Category	Strongly agree	Agree	Neither Agree nor disagree	Disagree	Strongly disagree
22.1	All aspects of Employment Equity should be included in each supervisor/manager's performance appraisal	1	2	3	4	5
22.2	Employees' perceptions towards the implementation of Employment Equity should be constantly measured	1	2	3	4	5
22.3	Methods should be developed to keep valuable employees	1	2	3	4	5
22.4	There should be a link between employees work goals and that of UPE					
22.5	Other (please specify)	1	2	3	4	5

D. Reasons for leaving

Please answer the question by indicating a cross (X) in the appropriate block.

23. Did you experience any of the following while at UPE?

		Yes	No
23.1	Racial discrimination		
23.2	Gender discrimination		
23.3	Discrimination based on being challenged (disabled)		
23.4	Sexual harassment		
23.5	Negative issues around language		

24. Indicate which factors, if any, contributed to your departure from UPE.

Please answer the question by indicating a cross (X) in the appropriate block.

No.	Category	No, not at all	Yes, to a lesser extent	Yes, to a great extent
24.1	UPE's internal physical environment	1	2	3
24.2	UPE's socio-cultural environment	1	2	3
24.3	The supervision by my supervisor/manager	1	2	3
24.4	The chance of a better career opportunity than at UPE	1	2	3
24.5	Better pay	1	2	3
24.6	Better benefits	1	2	3
24.7	Lack of appreciation for the quality of my work	1	2	3
24.8	Lack of opportunities for promotion	1	2	3
24.9	Unequal opportunities for promotion	1	2	3
24.10	Relocation/Emigration of my family	1	2	3
24.11	Experience of racial discrimination	1	2	3
24.12	Experience of gender discrimination	1	2	3
24.13	Experience of discrimination based on being challenged (disabled)	1	2	3
24.14	Other (<i>please specify</i>)	1	2	3

25. Name the MAIN reason why you left UPE. (*Please give one reason only*)

26. Did any external environmental factors impact on your decision to leave UPE?

Please answer the question by indicating a cross (X) next to the appropriate answer.

Yes		No	
-----	--	----	--

27. If yes, please explain your answer in the space provided.

E. Exit Process

Please answer the question by indicating a cross (X) next to the appropriate answer.

28. Were you given an exit interview questionnaire to complete upon tendering your resignation?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

29. WERE YOU INVITED TO ATTEND AN EXIT INTERVIEW UPON TENDERING YOUR RESIGNATION ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

30. Please rate your perception of the departure process.

(Circle 'not applicable' (4) only if your answer to questions 28 and 29 are "No". You must however then rate your experience of the alternative departure process that you were subjected to.)

No	Category	Poor	Satisfactory	Good	Not applicable
30.1	The content of exit questionnaire	1	2	3	4
30.2	The Exit Interview	1	2	3	4
30.3	The Departure Process	1	2	3	

31. Please explain your response to question 30.3 in the space provided.

Thank you for completing this questionnaire.

If you have any queries regarding this survey, please contact

Amber Anderson

* E-mail: fsaaca@upe.ac.za * Tel: 041 504 2350 * Fax: 041 504 2574



**UNIVERSITY OF PORT ELIZABETH
HUMAN RESOURCES DIVISION**

EXIT INTERVIEW QUESTIONNAIRE¹¹⁴

Name:

Department:

Title:

Superior's Name:

Date engaged:

Date leaving:

1. Indicate if resignation or dismissal:

REASONS FOR LEAVING:

If offered a better position, in what ways is it better?

2. Was your job initially explained to you?
3. How adequate was the training you received?
4. How did you feel about your promotional aspects?
5. How did you get along with your superior?
6. How did you get along with your colleagues?
7. How adequate were your salary and other benefits?
8. What are your views about UPE's commitment to transformation?
9. Any additional comments?

¹¹⁴ Spaces exist between questions in the original exit interview questionnaire