THE RELATIONSHIP BETWEEN EMPLOYEE PERCEPTIONS OF TRAINING, ORGANISATIONAL COMMITMENT AND THEIR IMPACT ON TURNOVER INTENTIONS: A SURVEY OF SELECTED SMMES IN THE CAPE METROPOLE AREA

By

JOY UKWO ALHASSAN

Thesis submitted in fulfilment of the requirements
for the degree

Master of Technology: Human Resource Management

in the Faculty of Business

at the

CAPE PENINSULA UNIVERSITY OF TECHNOLOGY

Supervisors: Diane Bell & Jerome Kiley

CAPE TOWN

March 2012

DECLARATION

I, Joy Ukwo Alhassan, declare that the contents of this thesis represent my own unaided work, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

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Signed   Date

ABSTRACT

While the relationship between training and organisational commitment has to some extent been widely researched, most of the information available in literature is based on studies done in western countries. The aim of the study was to determine the relationship between the research variables of employee perceptions of training (measured by perceived availability of training, perceived supervisor support for training and perceived co-worker support for training) and organisational commitment (measured by affective and continuance commitment) an their impact on turnover intentions among employees of SMMEs within the hotel sector of the Cape Metropole area of the Western Cape Province of South Africa.

A quantitative descriptive approach to research was adopted through the use of survey questionnaire to elicit relevant information from the respondents. In the absence of a sample frame (comprising only small hotels within the Cape Metropole area) and in order to meet the criteria laid down by the National Business Act for small business, non-probability judgemental sampling was deemed appropriate and was used to identify 10 SMME hotels to participate in this study. A total 127 respondents were drawn from across the 10 hotels. The research variables were measured using validated instruments from prior studies. Data was analysed on SPSS using both descriptive and inferential techniques. ANOVA, correlation analysis and regression analysis were used in order to establish relationships among the variables.

Findings from the ANOVA analysis demonstrated that employees who perceived high availability of training and high supervisor support for training were significantly higher in affective commitment than those who perceived low availability of training and low supervisor support for training. The correlation analysis also showed significant negative relationships between perceived availability of training, perceived supervisor support for training and turnover intentions, indicating that the higher the perceived availability of training and supervisor support for training, the lower the intention to leave the organisation among respondents. However no significant

relationship was established between employee perceptions of training and continuance commitment. Finally, regression analysis demonstrated that all the independent variables (employee perceptions of training variables) jointly account for 34% variation in respondents' turnover intentions and 17% variation in respondents' affective commitment.

Findings have both practical and theoretical implications. This study contributes to literature in the field of training, organisational commitment and turnover intention in general. Specifically it contributes to literature on training within SMMEs in the hotel sector; this is particularly significant as most studies on training within South Africa have been focused on the perspective of the business owners and management while there exists a gap on employee training among small hotels. This study also has practical implications. Results illustrate that provision of employee training can enhance affective commitment which can reduce employee turnover intentions within the organisation. This has important implication on SMMEs in the hotel sector, which are characterised by high turnover rates.

ACKNOWLEDGEMENTS

DEDICATION

This thesis is dedicated to my love, friend, mentor and husband, Emmanuel Alhassan. Thank you for putting your life on hold…so I can cross this bridge.

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PAT   Perceived Availability of Training

PSST   Perceived Supervisor's Support for Training

PCWST	Perceived Co-Worker Support for Training
OC	Organisational Commitment
AC	Affective Commitment
TI	Turnover Intentions
SMME	Small Medium and Micro Enterprises
SETA	Sector Education and Training Authorities
SDA	Skills Development Act
SDL	Skills Development Levies
NSDS	National Skills Development Strategy
NQF	National Qualification Framework
JIPSA	Joint Initiative on Priority Skill Acquisition
ASGI-SA	Accelerated and Shared Growth Initiative for South Africa
UNDP	United Nations Development Program
OECD	Organisation for Economic Co-operation in Development
GEAR	Growth Equity and Redistribution
RDP	Reconstruction and Development Programme
GDP	Gross Domestic Product
THETA	Tourism, Hospitality and Sports Education and Training Authority
WTO	World Trade Organisation

CHAPTER ONE

INTRODUCTION

1.1 Introduction and background of study

Small businesses are viewed as mechanisms for economic growth and development, both in developed economies as well as in developing countries (Ihua, 2009:200; Okpara & Wynn, 2007:24). They make up the largest percentage of businesses globally, play key roles in the creation of jobs, provision of goods and services and contribute to the Gross Domestic product (GDP) of their respective economies (Ihua, 2009:200).

With the end of apartheid in 1994, South Africa was confronted with the daunting task of re-integration into the global markets as well as transition towards a democratic rule (Berry, Von Blonttnitz, Cassim, Kesper, Rajaratnam & Van Sevengter 2002:1; Kesper, 2001:171). In order to achieve the goals of economic growth, employment generation and income redistribution, South African small businesses have been actively promoted (Berry *et al.*, 2002:1).

This shortage of skilled employees is also evident in the Small Medium Micro Enterprises (SMME) sector of South Africa, which is said to have a failure rate as high as 75% (Olawale & Garwe, 2010:729). Some of the major causes of failure in these SMMEs can be said to be internal, which includes lack of expertise in areas such as managerial skills (Rogerson, 2008:71), financial knowledge and human resource management (Ligthelm & Cant, 2002:3). Brink, Cant and Lighthelm (2003:5) argues that the labour market of South Africa is confronted with human resource issues such as inability to attract and retain staff, loss of key employees, low productivity and inadequate training and development of employees. Skilled workers are fundamental to the promotion of a sustainable economic growth (International Labour office, 2007:4). Most businesses are concerned with staff retention and organisational commitment especially in sectors with high employee turnover.

In order to respond to the challenges of global competition both at organisational and country level, there is a need for strategies that would improve individual and organisational level of knowledge and skills (King, McGrath, Rogerson & Visser 2002:28). The role of training and skills development is therefore seen as necessary for the development and growth of SMMEs (McGrath & King, 1999:211).

Employee training and in particular, structured training programmes are seen as means of addressing the challenges of skills shortages and high employee turnover especially within sectors where labour turnover is high (Spielhofer & Sims, 2004:113). Research has shown that training can be used as a tool within an organisation to increase employee commitment and reduce labour turnover (Newman, Thanacoody & Hui, 2009), which consequently impacts positively on business performance.

It is clear that evidence on the impact of training and development activities on SMME employees is limited indeed, as most of the studies found in relevant literature are focused mainly or exclusively on the perspective of the owner or manager of the business (Devins, Johnson & Sutherland, 2004:449). This has created a yawning gap with regard to understanding the scope, breadth and effects of employee training in SMMEs, particularly in South Africa. This gap in the literature is even more evident among SMMEs in the hospitality sector such as hotels, because studies within the hotel sector are either focused exclusively on large hotels (Grobler & Diedericks, 2009) or a mixture of both small and large (Maumbe & Van Wyk, 2008) hotels. This makes it difficult to draw conclusions which are specific to small businesses which, as pointed out by Andersen (2003:2), are distinct from large businesses both in terms of their sizes and in the area of management practices and growth rates. The need to fill this gap provides a clear basis for this endeavour.

The focus of this study is on small hotels as they play an important role in the South African economy. This is evidenced by the increasing demand for more and better hotels in South Africa due to the rise of its tourism industry as a result of the country's popularity as tourist destination (Saunders & Barben, 2007:27), creating opportunities

for small businesses within the sector. Furthermore, this study may be able to throw some light on why small hotels in other economies have been characterised by high employee turnover and skill shortages as shown in studies by Nolan (2002:88-93), Sharply & Forster (2003:687) and Teixera & Baum (2007:158).

The hotel sector is highly labour intensive, depending on its employee performance to remain competitive and profitable. However, it has been established that high turnover has a negative impact on the operations of hotels; it is indeed acknowledged to be the most problematic issue and particularly detrimental to the global hotel industry (Birdir, 2002; Carbery, Garavan, O'Brien, & McDonnell, 2003). On the other hand, employee training has been shown to increase organisational commitment (Bartlett, 2001:335; Sahinidis & Bouris, 2007:73), and to lower employee turnover (Pajo, Coetzer & Guenole, 2010:281).

Nevertheless, current studies have shown that employers within the SMME sector have shown caution when it comes to investing in employee training. This is based on the findings that employees often leave their current employers, when offered higher wages from other companies despite training invested in them by their employers (Cassell, Nadin, Gray & Clegg, 2002:684; Okpara & Wynn, 2008:68).

1.2   SMME sector in South Africa

The SMME economy during the era of apartheid was largely neglected by policy makers and black owned businesses were not encouraged. Also, in line with the political concerns of the existing period, small businesses were removed from research programmes of most Business Schools and University Business Departments (Berry *et al.,* 2002:34).

With the end of apartheid in 1994, South Africa was confronted with the issues of re-integration into the global markets as well as transition towards a democratic rule (Berry *et al.,* 2002:1; Kesper, 2001:171). In order to achieve the goals of economic growth, employment generation and income redistribution, South African small businesses have been actively promoted (Berry *et al.,* 2002:1).

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The 1995 White Paper on Small Business Development along with the National Development Act of 1996, paved the way for the creation of an enabling environment for SMMEs to thrive through the launching of various support institutions (Berry *et al.,* 2002:34; Rogerson, 2004:766).

SMMEs are regarded as a driving force required for economic growth, job creation and poverty alleviation in both developing countries as well as developed countries (Brink *et al.,* 2003:3). According to Rogerson (2004:765), the importance of SMME for addressing issues of development in the South African economy was highlighted in the 2003 United Nations Development Program (UNDP) Human Development for South Africa report. The report evaluated the country's ten years SMME programme with regard to its impact in areas of poverty alleviation, job creation and national economic growth.

Despite its potential to contribute to economic development, through job creation and contributing to national GDP, South African SMMEs have made very little contribution to job creation and economic growth (Berry et al., 2002:5). SMMEs are confronted with a variety of challenges which can serve as hindrances to the growth of their business.

Some of the major causes of SMME failure in South Africa can be said to be internal, which includes lack of expertise in areas such as managerial skills, financial knowledge and human resource management (Ligthelm & Cant, 2002:3). Brink *et al.*, (2003:5) affirms that the labour market of South Africa is confronted with human resource issues such as inability to attract and retain staff, loss of key employees, high employee turnover, low productivity and inadequate training and development of employees.

In a more recent study, Rogerson (2008:71) asserts that lack of managerial skill and training is one of the most prevalent causes of SMME failure in South Africa. Despite this awareness, studies have consistently shown that SMME owners see little or no need for skills training (McGrath, 2005:5). The most successful, innovative and adaptive small businesses are those whose owners and most times, employees have

received a high level of education, technical and managerial skills and training (Rogerson, 2008:70).

The importance of training and skills development in South Africa is highlighted in the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA), especially with the launch of the Joint Initiative on Priority Skill Acquisition (JIPSA) (Rogerson, 2008:62). JIPSA was created with the responsibility of developing skills identified by ASGISA which includes skills in area such as information and communication technology, public service delivery, as well as skills necessary for infrastructural development. The vice president emphasised that skills development must also benefit SMMEs within the sectors identified (Mlambo-Ngcuka, 2006:70).

Studies carried out on a national scale in the area of skills development and training among small businesses have revealed the current status of training and development amongst South African small businesses (Martin, 2005:54; McGrath 2005:42). There is a relatively large amount of training taking place in the small business sector (Martin, 2005:45); however the level of training is higher among formally registered small businesses (McGrath, 2005:36). Nonetheless, both researchers agree that the bulk of training is on-the-job training rather than aligning the training with the National Qualification Framework (NQF) recognised training.

1.2.1 Training in South Africa

The apartheid system of government previously operated in South Africa promoted segregated systems of education and training (Van Dyk, Nel, Loedolff & Haasbroek, 2001:35), creating a labour force of under-skilled and under-educated people. Accordingly the country is faced with the challenge of an ineffective workforce unable to meet the demands of the workplace and the new world technology. The outcomes of this include an unproductive workforce which inhibits the productivity of firms, stalls new investment prospects, creates high unemployment rates and impairs the sustainability of SMMEs (Van Dyk *et al.,* 2001:36).In order to address the problem of skills shortages and training needs, the South African government introduced the National Skills Development Strategy (NSDS) in 1997, with the main aim of

transforming the education and training sectors. Some of the objectives of the National Skills Development Strategy include: developing a culture of quality lifelong learning, promoting skills development for employability and sustainable livelihoods through social development initiatives and stimulating and supporting skills development in small businesses.

The National Skill Development Strategy is underpinned by the Skills Development Act (SDA, No. 97 of 1998) and the Skills Development Levies Act (SDL, No. 9 of 1999). The Skills Development Act led to the formation of Sector Education and Training Authorities (SETAs), for implementing the National Skills Development Strategy at the sector level. The SETAs were charged with the responsibility of compensating firms for costs incurred on training that is undertaken, while the Skills Development Levies Act was charged with the responsibility of collecting and transferring of levies collected to SETAs (Lundall, 2003:2). Enterprises are required through the Skills Development Act to pay the South African Revenue Services 1% of their payroll. 80% of the skills levy collected is distributed to the SETAs while the balance is used to fund training initiatives based on workplace skills plans. Workplace skills plans are plans developed by businesses in various sectors to project their training needs for the year.

1.2.2 Hotel sector in South Africa

Human resource management in the hotel sector of South Africa is fairly poor, as confirmed by the results from the 2008 report on travel and tourism (Grobler & Diedricks, 2009:1). The Travel & Tourism Competitive Report indicates that out of the 130 countries that participated in the project for the year 2008, South Africa ranked 118 in the area of Human Resources. This sector is also confronted with challenges such high employee turnover (Haven-Tang & Jones, 2006:91), making it difficult to retain key employees (Grobler & Diedericks, 2009:16).

This sector is vital to the economic growth of the economy, evidenced by the number of tourists visiting South Africa. Approximately 8.5 million tourists visited the country

in 2006 (Visser, 2007:43-44) and a further 9.9 million in 2009. It is by far the largest sub-sector of the tourism industry (Sharpely 2005:15), providing job opportunities.

As a service industry, the hotel sector is labour intensive and very dynamic; people management is therefore a vital function. The continued success of organisations in this sector is largely dependent on employees' contribution and commitment (Baum & Kokkranikal, 2005:86). Therefore for this sector to remain globally competitive there is the need for constant employee training and development, which has been linked to enhancing employee commitment to the organisation (Newman et al., 2009:16; Bartlett 2001:335).

1.3   Organisational Commitment

In today's competitive business environment, companies are constantly seeking ways to improve business performance. Commitment has been identified as a tool for enhancing organisational performance (Nijhof, De Jong & Beukhof, 1998:243). The concept of organisational commitment has received significant attention in recent years, especially in the area of human resource management where organisational commitment has become a major objective (Nehmeh, 2009:3). This is due to the awareness that organisations can influence their employee commitment through HRM policies and practices.

Organisational commitment has been defined as 'the relative strength of an individual's identification and involvement in a particular organisation' (Mowday, Porter & Steers, 1982:27; Pool & Pool, 2007:353). More committed employees will most likely remain with an organisation for a longer period of time than less committed employees (Brum, 2007:2). The more committed an employee is to an organisation, the more effort exerted by the employee towards achievement of organisational goals (Nehmeh, 2009:5).

Organisational commitment has been studied from various perspectives, which are categorised into three different schools of thought: the behavioural, attitudinal and the three-component model which is an integration of both the attitudinal and behavioural approach. The behavioural approach to organisational commitment highlights an

employee's investment in an organisation in terms of time, relationships and pensions, such investments bind an employee to the organisation. Behavioural approach to organisational commitment highlights the process of how employees are locked into the organisation and how they handle this process (Mowday *et al.,* 1982). It also focuses on the benefits associated with belonging to an organisation. Therefore, an employee will engage in certain behaviour not because it is the right thing to do but because of the perceived benefits or cost minimised from engaging in such behaviour. A limitation of this approach is that it is based on the underlying assumption that behaviour is multidimensional; as a predictor of a particular behaviour, it can also be used to predict other behaviours (Roodt, 2004).

The attitudinal approach draws on contribution from different researchers. Kanter (1968:449) stated that commitment is the willingness to give loyalty and energy to an organisation. Mowday, Steers and Porter (1979:226), characterised organisational commitment by three factors. They include: a strong belief and acceptance of an organisation's values and goals, a willingness to exert effort on behalf of the organisation and a desire to maintain membership with the organisation. However Meyer and Allen (1991:2) outlined the differences between three of the more common attitudinal components of organisational commitment. They proposed a three-component conceptualisation; these include the affective, continuance and normative commitment.

Literature (Ahmad & Bakar, 2003; Bartlett, 2001; Stallworth, 2004; Newman *et al.,* 2009) has shown that most research on organisational commitment has adopted the three-component model of affective, normative and continuance commitment developed by Meyer and Allen (1991). The widespread adoption of the three-component model can be linked to its approach on organisational commitment as a multidimensional construct. Bentein and Meyer (2004:1) affirm that organisational commitment is a multidimensional construct whereby an employee can demonstrate different levels of commitment to all three components at any given time.

Affective commitment refers to the employee's emotional identification with, attachment to and involvement with an organisation. The continuance organisational commitment refers to cost and losses which employees associate with leaving an organisation, while normative organisational commitment refers to a sense of obligation an employee feels towards supervisors, subordinates and other third parties to remain in the organisation.

Based on available literature, affective commitment is viewed as the most prominent predictor of organisational commitment, which is the sole determinant of turnover and absenteeism (Somers, 1995). Strong emotional commitment has also been proven to lower rates of absenteeism and turnover (Jackson & Schuler, 2000). Curtis and Wright (2001:60) argue that employees with strong affective commitment remain with an organisation by choice as opposed to employees with strong continuance commitment who stay with an organisation based on their needs. Employee performance is also dependent on affective commitment (Maxwell & Steele, 2003; Wasti & Can 2008). Strong organisational commitment has also been linked to job satisfaction (Yang, 2009).

Based on the foregoing discussion, organisational commitment has been linked to a number of employee outcomes necessary for organisational performance. Equally important are the antecedents of organisational commitment, e.g. employee training.

1.3.1 Training within SMMEs

In spite of the growing importance of the research in training within small businesses, there is still a lack of attention on the effectiveness of these training interventions (Huang, 2001:437). It is important that such training interventions are measured and researched with a view to determining the best interventions that should be used (Nieman, 2001:449).

The relevance of training to a workforce cannot be over-emphasised. Huang (2001:437) affirms that an educated and well trained workforce is vital for the maintenance of business competitive advantage in today's global market. In view of

this, several researchers in the field of training have tried to emphasis the benefits of training to the performance of small business.

Training can be used as a mechanism for the alignment of skills required by employers and skills offered by employees (Sels, Winne, Delmotte, Maes, Faes & Forrier, 2006:94). It can also be used for the expansion of SME growth and development of human resource competence in order to enhance profitability (Cosh *et al.,* as cited in Huang, 2001:437) and as a mechanism to alter employee behaviour to conform to the achievement of organisational goals (Ivancevich, 2007:399).

So, what is Training? Training consists of organised learning activities that are capable of influencing individual skills and knowledge on the job, thereby improving performance (Huang, 2001:439). However a broader definition of training can be said to include activities, through which managers and employees can improve their work-related skills and knowledge; such activities can take place on or off the job (Kitching & Blackburn, 2002:4).

Several authors have attempted to study the link between one or more HR practices and performance of small business and Sels *et al.,* (2006:85) argue that the impact of training on performance has been the most studied. Despite various studies on training and its impact on SMME performance, recent reviews have shown empirical evidence that the influence of training on small business performance is inconsistent and inconclusive (Jayawarna, Macpherson & Wilson, 2007:323; Patton, Marlow & Hannon, 2000:13). One of the major reasons for such inconsistencies can be attributed to the wide disparity in the definition of training used (Huang 2001:442).

In policy statements and discussions on the small business sector, it has been stated that investment in training and development can lead to improved performance of the sector (Patton *et al.,* 2000:12). However, most of the research studies have not been able to establish a significant relationship between training and small business performance.

In the research study by Baldwin, Chandler, Le and Papailiadis (1994) on Canadian SMEs, findings revealed that the proportion of employees receiving training, and training expenditure per employee, were negatively correlated with business profitability. Research results also showed that the more successful small businesses tend to train fewer employees than the less successful small businesses. Similarly Cosh, Duncan and Hughes (1998), were able to establish a positive but statistically insignificant link between training and firm survival. The authors also analysed the relationship between formal training and performance in terms of employment growth and profitability. Findings show that training was linked to employment growth but not linked to profit margin.

Patton *et al.,* (2000:13) provide three reasons for these inconsistencies in establishing a relationship between training with small business performance. The first reason provided by the authors is the possibility that there is no causal relationship between training with small business performance. If the link does exist, it might require more sophisticated analysis to be applied or the link might not exist at all (Westhead & Storey, 1996:18); or perhaps that training can achieve more success when coordinated with other HR practices (Huang, 2001:443).

The second reason propounded by Huang (2001) is that failure to establish a significant relationship could originate from methodological difficulties associated with isolating and measuring the impacts of interventions on small business performance. Most of the research in this field has relied on the qualitative method. The small sample size of most qualitative research makes it difficult to generalise findings to the general population. This problem can be addressed by using both the qualitative and quantitative methods. This will ensure that the weakness in one set of data will be negated through the strength exhibited by the other set of data.

The third reason is failure to detect variables that have the ability to impact on the training and performance relationship. Huang (2001:443) observed that there are a number of factors that can influence this relationship. The training interventions create a number of complexities which are further complicated by heterogeneity of

the small firm owners, as well as the various contextual environments in which they operate. In view of these challenges, Newman *et al.,* (2009) suggest that for proper evaluation of the impact of training, the relationship between training and organisational commitment be examined directly.

1.3.2 Training and Organisational Commitment

In order to equip employees with skills necessary to do their jobs and to optimise employee potentials, there is the need for organisations to train their employees (Sahindis & Bouris, 2008:64). Investments made in employee training by an organisation can be justified by its contribution to individual and organisational performance (Bartel, 2000). Theoretical models (Guest, 1987; Thang, Quang & Buyens, 2010), have demonstrated that Human Resource (HR) practices influence both employee and organisational outcomes. Thang *et al.,* (2010:31) state that training affects employee outcomes such as skills, knowledge, behaviours, attitudes and motivation of employees. Consequently, it is these employee outcomes that have a direct impact on organisational performance such as productivity, profit, increased sales and market share, reduced labour turnover, as well as absenteeism. Newman *et al.,* (2009) proposes that a proper way to evaluate training would be to appraise its relationship with organisational commitment.

A number of research studies have been conducted on the impact of training and commitment (Ahmad and Bakar, 2003; Bartlett, 2001; Al-Emadi & Marquardt, 2007). These studies show a strong positive relationship between perceptions of training and affective organisational commitment and a weaker relationship with continuance commitment.

Positive work-related attitude and behaviour are dependent on employee perceptions of how their employers value their contributions and care about their wellbeing (Allen, Shore & Griffeth, 2003). This view is consistent with the Social Exchange Theory (Blau, 1964), which stipulates that organisational behaviour is dependent on the psychological contract between employer and employee.

The social exchange theory is initiated by the organisation when they show enthusiasm about employee wellbeing with the aim of inciting certain behaviours and attitudes from employees, while employees on the other hand respond by showing behaviours and attitudes necessary for good organisational performance (Aryee, Budhwar & Chen, 2002). Training can lead to high levels of commitment, as employees show appreciation to the organisation for the investment made in them by working hard and consenting to be member of the organisation (Sahindis & Bouris, 2008:64). Employees are more likely to be committed to an organisation, if they feel the organisation is committed to them (Eisenberger *et al.,* cited in Sahindis & Bouris, 2008:67).

According to Newman *et al.,* (2009:7), provision of training by an organisation, is perceived by employees as the organisation seeking to go into a social exchange with them. This creates a strong psychological bond between the employee and the employer. Training is viewed as a tool for eliciting and altering desired responses from employees (Ivancevich, 2007:399), which may include organisational commitment (Bartel, 2000). Employees exposed to more training opportunities are more likely to exhibit higher levels of organisational commitment (Anvari, Amin, Ismail & Ahmad, 2010:3391).

However, despite several studies and findings concerning the benefits of training and its effect on employee outcomes, there is a whole new body of emerging literature contesting the benefits organisations derive from employee training in this era of intense employee mobility (Sahindis & Bouris, 2008:68). Employees who change jobs more frequently are more likely to earn higher salaries and move faster up the organisational ranks. This kind of situation creates hesitation and sometimes total avoidance on the part of employers with regard to investment in employee training. Employers are more often confronted with the challenge of employees using training acquired to increase personal market value and employment opportunities at the expense of the organisation (Sahindis & Bouris, 2008:68).

Overall, findings suggest a significant relationship exists between training and organisational commitment. Committed employees are more likely to remain with an organisation and less likely to leave. Employee turnover has been shown to have both operational and cost implications for the organisation.

1.3.3 Turnover Intentions

Many organisations invest in their employees in terms of training and development, maintaining and retaining them in the organisation (Ongori, 2007:49). With globalisation has come increased competition, hence organisations are constantly seeking ways to remain competitive. Both theory and practice (Ongori, 2007:49) have shown that employee contributions to the organisation are intangible and cannot be easily duplicated and that committed and skilled employees are the only source of sustained competitive advantage (Perryer, Jordan, Firns & Travaglione, 2010:911). Hence it is vital for organisations to minimise employee turnover as this constitutes a critical problem to the organisation in terms of loss of talent and other cost associated with employing and training new employees (Anvari *et al.,* 2010:3391).

Employee intention to leave an organisation can be the best predictor of actual turnover (Anvari *et al.,* 2010:3394; Martin & Roodt, 2008:25). Turnover intention is described as a cognitive process of thinking, planning and desiring to quit one's job (Mobley cited in Ahmad, Shahzad, Rehman, Khan & Shad, 2010:586). It involves a multistage process composed of various components such as an employee's decisions, attitude and behaviour (Martin & Roodt, 2008:25).

The Theory of Planned Behaviour proposes that planned behaviour is a good predictor of actual behaviour (Martin & Roodt, 2008:25) and this is consistent with research findings that have successfully demonstrated that behavioural turnover intentions have consistently correlated with actual turnover (Fox & Fallon, 2003:3). Turnover intention can be seen as a mental decision, mediating between an employee's attitude towards their job and subsequent behaviour to either stay or quit their job (Sager, Griffeth & Hom, 1998:255).

The relationship between turnover intentions and other variables, such as age, job tenure and gender has been studied. Findings show that the younger the age, the higher the turnover intentions (Chiu & Francesco, 2003). However, conflicting results were found in terms of turnover intentions and its relationship to tenure. Some findings have shown a positive correlation between turnover intentions and tenure (Jacobs, 2005), while others have shown a negative correlation (Chiu & Francesco, 2003). However, no significant relationship was established between gender and turnover intentions (Lambert, Hogan & Barton, 2001).

1.4   Statement of research problem

SMME owners are reluctant to invest in the training and development of their staff, as it is perceived that employees use training acquired to increase their individual market value and employment opportunities at the expense of the organisation. However SMMEs are still characterised by problems such as inability to attract skilled labour, as well as high labour turnover.

The problem investigated is whether the provision of employee training within SMMEs in the hotel sector enhances employee commitment and reduces turnover intentions?

1.5   Research objectives

This study seeks to increase understanding with regard to employee perceptions of training and its relationships with organisational commitment and turnover intentions in SMMEs within the hotel sector in the Cape Metropole Area. This was done with a view to establishing whether provision of training within SMMEs can be used as a tool for enhancing employee commitment to the organisation and to determine to what extent employee commitment is able to reduce turnover intention.

Specific objectives are as follows:

- To investigate employee perceptions of training within SMMEs within the hotel sector in the Cape Metropole Area.

- To investigate the relationship between employee perceptions of training and organisational commitment among employees of SMMEs within the hotel sector of the Cape Metropole Area.

- To investigate the relationship between organisational commitment and turnover intentions among employees of SMMEs within the hotel sector of the Cape Metropole Area.

1.6   Research questions

The question this research seeks to explore is:

Is there a relationship between employee perceptions of training and organisational commitment and does this relationship have an impact on turnover intentions of employees within SMMEs in the hotel sector of the Cape Metropole Area?

Research sub-questions:

1. What are the employee perceptions of training within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

2. What is the relationship between employee perceptions of training and organisational commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

   - What is the relationship between perceived availability of training and affective commitment?

   - What is the relationship between perceived availability of training and continuance commitment?

   - What is the relationship between perceived supervisor's support for training and affective commitment?

   - What is the relationship between perceived supervisor's support for training and continuance commitment?

- What is the relationship between perceived co-workers' support for training and affective commitment?

- What is the relationship between perceived co-workers' support for training and continuance commitment?

3. What is the relationship between affective commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

4. What is the relationship between continuance commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

1.7   Motivation for the research

Similar studies have been conducted in this area. Newman *et al.,* (2009) examined the impact of employee perceptions of training on organisational commitment and turnover intentions within multinational organisations in the Chinese services sector. Bulut and Culha (2010) also examined the impact of organisational training on employee commitment, drawing respondents from hotels in Turkey.

However, this topic still remains novel in South Africa; hence this study will contribute to literature by conducting a similar study within the South African context. This study will focus on hotels in the small business sector, as they play an important role in the South African economy. Research on training activities on SMME employees in South Africa is limited, as most of the studies found in relevant literature are focused mainly or exclusively on the perspective of the business owner. Hence the need to fill these gaps provides a clear basis for this endeavour.

This study explores the relationship between employee perceptions of training and organisational commitment and examined how this impacts on turnover intentions. Hence, the variables of the study to be measured are, employee perception of training, organisational commitment and turnover intentions.

Specifically, this research study focused on only the affective and continuance organisational commitment. Two reasons informed this decision. First, prior studies have established a direct association between affective and normative commitment (Meyer & Smith, 2000); there is also a high level of overlapping factors that determine as well as predict outcomes of both types of organisational commitment (Sommer cited in Ahmad *et al.,* 2010:586). Secondly, normative commitment is based on employee values which are determined by socio-cultural and prior experiences, as well as family background (Newman *et al.,* 2009:2): this is not relevant to the scope of the present work, which focuses solely on the impact of training interventions on employee's organisational commitment after they joined the organisation.

In order to answer the research questions, the three variables measured are: employee perceptions of training, organisational commitment and turnover intentions. The next section provides definitions and overview of each of the research variables.

1.7.1 Research variables

Employee perception of training: For the purpose of this study, employee perceptions of training, is the independent variable and is divided into three sub-variables.

- Perceived availability of training: is defined as "the extent to which employees feel they are able to access training opportunities" (Newman *et al.,* 2009:8).

- Perceived supervisor support for training: is described as the extent which employees feel they have support from supervisors to participate in training and apply learnt skills on the job (Newman *et al.,* 2009:10).

- Perceived co-worker support for training: "refers to the degree to which peers are willing to help their colleagues in good faith for example solving problems or implementing an improved way of working" (Bulut & Culhi, 2010:313). This can be measured by their level of support or resistance to application of new skills and knowledge acquired through training.

Organisational commitment: Employee commitment to the organisation was measured by utilising two of three components of organisational commitment proposed by Allen and Meyer (1990:1): Affective and Continuance Commitment. The reason for adopting only two of the three components for this study has been discussed earlier in the chapter.

- Affective commitment "refers to an employee's emotional attachment to, identification with and involvement in the organisation" (Allen and Meyer, 1990:1).

- Continuance commitment on the other hand "refers to commitment based on the cost that employees associated with leaving the organisation" (Allen and Meyer, 1990:1).

Turnover intentions: Mobley cited in (Ahmad *et al.,* 2010:586) defines turnover intentions "as a cognitive process of thinking, planning and desiring to quit job". Turnover intention is the final step in the decision making process of voluntary turnover and it has been consistently linked to actual turnover (Lambert, 2006:59).

1.7.2 Measures

As discussed in previous chapter, the relationship between training and organisational commitment has been studied to some extent but within different contexts and in different countries. These studies have utilised similar instruments and sometimes the same instruments. (Ahmad & Bakar, 2003; Al-Emadi & Marquardt, 2007; Bartlett, 2001; Newman *et al.,* 2009). This study replicates the study by Newman *et al.,* (2009) because it improves upon prior studies, and further explores the relationship between training and organisational commitment by determining the impact of such relationship on employee turnover intentions.

Mouton (2001:100) states that a researcher has an option of either using an existing instrument or constructing a new one. This study adopts the use of validated instruments for measuring the research variables of employee perceptions of training, organisational commitment and turnover intentions.

Perceived availability of training was measured by using instruments developed by Newman *et al.,* (2009). Perceived supervisor support and co-worker support for training were measured using instruments developed by Noe and Wilk (1993) but used by Newman *et al.,* (2009). Organisational commitment was measured by utilising items from the affective and continuance commitment questionnaire developed by Meyer and Allen (1997) and utilised by Newman *et al.,* (2009).

1.8   Research design

In order to examine the relationship between employee perceptions of training and commitment and the impact of this relationship on labour turnover intention, a quantitative descriptive research design by way of a survey was employed to collect data. Survey research is used for this study because it is deemed appropriate for exploring relationships between variables and assessing a particular theory (Henn, Weinstein & Foard, 2006:126-127).

The use of a self- administered questionnaire was utilised to collect data for this study. The questionnaire is one of the most common methods of collecting survey data; it is inexpensive and can be administered to a large number of respondents simultaneously.

1.8.1 Research methodology

A quantitative research by way of self-administered questionnaire containing statements on the variables under investigation was utilised to gather the data from respondents. Two reasons informed the researcher's decision: first, similar studies had utilised the quantitative approach and secondly, since the study seeks to establish relationships between variables, this approach was most suitable.

The quantitative approach helps to achieve high levels of reliability on data collected and will eliminate any subjective judgement (Kealey & Protheroe cited in Matveev, 2002:60). The questionnaire also helps to provide further insights and assist the researcher to answer the research questions.

1.8.2 Sampling and related issues

Population for this research study consist of employees from SMMEs within the Cape Metropole Area. Due to the heterogeneous nature of the SMME sector, SMMEs with the following features will be utilised for the research study:

- SMMEs were drawn from the hotel sector from within the Cape Metropole Area.

- SMMEs should have been operational for at least a period of three years.

- Research study will focus on only small-sized SMMEs, according to the National Small Business Act; small sized SMMEs should have not more than 50 full time employees.

- SMMEs were located within the Cape Metropole Area of South Africa.

Due to the nature of this research and the peculiarity of the SMME types used as samples, and in the absence of a sample frame consisting of only small hotels within the Cape Metropole Area, non-probability purposive sampling was used to select the sample for this study. According to Singleton and Straits (2005:147) non-probability sampling is conducted without the knowledge that the sample selected will be a representative of the population.

Welman and Kruger (2000:63) assert that judgemental or purposive sampling is the most important type of non-probability sampling, whereby researchers rely on their experience, judgement or previous research findings. It is often used in the absence of a sampling frame (Henn *et al.,* 2006:132). Therefore in order to meet the criteria laid down by the National Business Act for Small Business, this technique was employed.

1.8.3 Data collection methods

For the purpose of this study, data was gathered through the use of self-administered questionnaires. In order to minimise data loss and to ensure proper administration

and collection of completed questionnaire, the questionnaires were handed directly to a contact person such as hotel managers or admin managers in the participating hotels. A two-week data completion period was offered to participants, with periodic follow-ups done using telephone and internet reminders. Subsequently questionnaires were collected and collated for analysis.

1.8.4 Data analysis and procedures

Quantitative data obtained through the use of questionnaires was analysed by statistical means using the Statistical Package for Social Science (SPSS) software programme, which is a commonly used tool for analysing quantitative data. Data analysis on SPSS (version 19.0) will be done using descriptive and inferential statistical methods. Descriptive statistics was presented in tabular and graphic format, since the aim of descriptive study is to present a 'snap shot' of the research data.

Since the main objective of this study is to establish relationship between the research variables, inferential techniques was also performed on the data. Analysis of variance (ANOVA) was performed to establish the main and interactive effect of the independent variable (perception of training variables) on the dependent variable (organisational commitment and turnover intentions). Pearson correlation coefficient was also performed to establish the relationship among the research variable. Finally, regression analysis was performed to determine the extent to which the independent variables jointly and independently predict the dependent variables.

1.8.5 Ethical considerations

Neuman (1994:428) affirms that ethical consideration is the principle which guides field research and should be followed in accordance with prescribed standards. In line with the research ethics policy of the university, the researcher sought ethical clearance approval from the university in order to carry out this research.

The researcher also got authorisation from the management of selected SMMEs to participate in this research. Employees from selected SMMEs were well informed on

the purpose of the study and were given assurances of anonymity and confidentiality as this ensures greater cooperation (Sekaran, 2003:72).

1.9   Research delimitations

Due to accessibility, time, and budgetary constraints as well as due to the dynamic nature of SMMEs, this study will only focus on the SMMEs in the hotel sector. Respondents will be drawn from SMME hotels within the Cape Metropole Area only. The study focused on employee perceptions of training and its relationship with organisational commitment and how this relationship impacts on employee turnover intentions. Other drivers of organisational commitment such as rewards, organisational culture and tenure are not part of this study. Given the relatively small geographic area covered by this research and the relatively small sample size, it would not be advisable to generalise the findings of this study to small hotels across South Africa.

1.10   Significance of the research

The relationship between training and organisational commitment has to some extent been widely researched; however most of what is now known on the relationship is based on studies that were done in western countries like the UK (Bartlett: 2001), the USA (Benson, 2006) and Asian countries like Malaysia (Ahmad & Bakar, 2003), China (Newman *et al.,* 2009) and Qatar (Al-Emadi & Marquardt, 2007). This topic remains novel in South Africa.

This research study seeks to investigate the relationship between employee perceptions of training and organisational commitment and its impact on employee turnover intentions in selected SMMEs within the Cape Metropole Area. From a general perspective, this study will contribute to literature. Specifically, it is beneficial to SMMEs, particularly small hotels, which are characterized by high employee turnover. This study will shed more light on the relevance of training within the organisation with particular reference to hotels, where it is assumed that training is not relevant, as most of the skills and knowledge can be learned on-the-job. However, as consistent with theory and literature, training impacts not just on the

skills and knowledge of the employee, but also on employee attitudes such as commitment. Findings from the study will aid stakeholders to inform policy and perhaps augment policy implementation with regard to training within small businesses.

1.11   Chapter outline

The thesis will consist of six chapters. The content of each chapter is outlined below:

Chapter One presents an introduction and background to the research problem.

Chapter Two will review literature on SMMEs, touching on international experiences but with particular emphasis on South African small businesses.

Chapter Three will consist of a detailed literature review, on the concepts of training, organisational commitment and turnover intentions and further explore the relationship between the various concepts under study.

Chapter Four will deal with the research methodology and design that will be applied in this research study.

Chapter Five will focus on data analysis and the results.

Chapter Six will conclude by offering an overview on the findings of the research, provide recommendations and draw conclusions.

CHAPTER TWO

AN OVERVIEW OF SMMEs: A FOCUS ON SMALL HOTELS

2.1   Introduction

This chapter presents discussions on the concept of Small, Medium and Micro Enterprises (SMME) and narrows its focus to SMMEs in the hotel sector (small hotels). The aim of this chapter is to highlight the role of SMMEs as potential drivers of the economy, examine the external and internal challenges deterring their role as economic drivers and then further narrow focus to the role of employee training as a way of addressing internal challenges identified.

2.2   Definition and classification of SMME

The term SMME is an acronym for Small, Micro and Medium Enterprises. It is a term generally used to refer to small businesses. Small businesses can also be referred to as SME, which is an acronym for Small and Medium Enterprises. SMME and SME all refer to small businesses. SMMEs vary widely with regards to business type, as they include a wide variety of businesses, ranging from established traditional family businesses, a manufacturer employing hundreds of people, a business owner operating from the comfort of a home down to the survivalist who is self employed (Hall, 2003:174).

The definition of what constitutes a small business or an SMME can be complex arising from its definitions based on different criterion. Definitions may vary from one country to another or from one industry to another (Ayyagari, Beck & Demirguc-Kunt, 2003:3; Hall, 2003:173; Kotelnikov, 2007:2). This is because a business termed as 'small' in one industry is likely to have higher levels of capitalisation, sales and employment, than a 'small' business in a less prominent industry (Storey, 2006:8).

However, one of the popular descriptions of a small business given thus far is that of the BOLTON Committee in its 1971 report on small businesses (Lukacs, 2005:4), which states that a key characteristic of a small firm is the ownership and that the business should be an independent business, managed by its owner or part-time

owner and having a small market share. However, contrary to the foregoing description, in China small businesses can be owned by village enterprises or even towns (Hall, 2007:30). Definitions can also vary from one country to another based on number of employees, asset worth or a combination of the two (Kotelnikov, 2007:2). A small business therefore has no single, uniformly acceptable definition. Since this study focuses on SMMEs within South Africa, the researcher will adopt the definition of SMME as identified by the National Small Business Act No 102 (of 1996).

2.2.1 Classification of SMMEs in South Africa

According to the National Small Business Act No 102 (of 1996) as amended in the Act No 26 (of 2003), a small business is defined as 'a separate and distinct entity including cooperative enterprises and non-governmental organisations managed by one owner or more, including its branches or subsidiaries if any, is predominantly carried out in any sector or sub-sector of the economy mentioned in the schedule of size standards and can be classified as small business by satisfying the criteria mentioned in the schedule of size standard' (South Africa , 2003).

The white Paper on National Strategy for the Development and Promotion of Small Business in South Africa (Notice 213 of 1995) identifies four categories of SMMEs in South Africa. They are as follows:

- **Survivalist enterprises**

  Involves activities of individuals which generate income and sometimes these incomes are not even enough for survival. Usually the individuals do not have any skills training in the field and tend to be women who require upliftment from survivalist activities.

- **Micro-enterprises**

  These comprise of small businesses often operated by owners, family members or at most two paid employees. Businesses here are characterised

by lack of formality, VAT, premises and accounting procedures and usually have limited start-up capital and basic business skills.

- **Small enterprises**

  These are businesses within a more formal and structured setting. They have between 5 and 50 full-time employees. They are managed by the owner or community; they usually operate from premises and are registered for taxes and other formal requirements.

- **Medium enterprises**

  Enterprises that fall within this range are viewed as owner-managed or controlled and sometimes have other shareholders; they employ up to 200 workers.

Table 2.1: Classification of SMME's according to sector

Sector or subsectors in accordance with the Standard Industrial Classification	Size or Class	Total full-time equivalent of paid employees: Less than	Total annual turnover: Less than	Total gross asset value (fixed property excluded): Less than
Agriculture	Medium Small Very Small Micro	100 50 10 5	R 4.00 m R 2.00 m R 0.40 m R 0.15 m	R 4.00 m R 2.00 m R 0.40 m R 0.10 m
Mining and Quarrying	Medium Small Very Small Micro	200 50 20 5	R30.00 m R 7.50 m R 3.00 m R 0.15 m	R18.00 m R 4.50 m R 1.80 m R 0.10 m
Manufacturing	Medium Small Very Small Micro	200 50 20 5	R40.00 m R10.00 m R 4.00 m R 0.15 m	R15.00 m R 3.75 m R 1.50 m R 0.10 m
Construction	Medium Small Very Small Micro	200 50 20 5	R20.00 m R 5.00 m R 2.00 m R 0.15 m	R 4.00 m R 1.00 m R 0.40 m R 0.10 m
Retail and Motor Trade and Repair Services	Medium Small Very Small	120 50 10	R30.00 m R15.00 m R 3.00 m	R 5.00 m R 2.50 m R 0.50 m

	Micro	5	R 0.15 m	R 0.10 m
Wholesale Trade Commercial Agents and Allied Services	Medium Small Very Small Micro	100 50 10 5	R50.00 m R25.00 m R 5.00 m R 0.15 m	R 8.00 m R 4.00 m R 0.50 m R 0.10 m
Catering Accommodation and Other trade	Medium Small Very Small Micro	100 50 10 5	R50.00 m R25.00 m R 5.00 m R 0.15 m	R 8.00 m R 4.00 m R 0.50 m R 0.10 m
Finance	Medium Small Very Small Micro	120 50 10 5	R20.00 m R10.00 m R 2.00 m R 0.15 m	R 4.00 m R 2.00 m R 0.40 m R 0.10 m
Business Services	Medium Small Very Small Micro	120 50 10 5	R20.00 m R10.00 m R 2.00 m R 0.15 m	R 4.00 m R 2.00 m R 0.40 m R 0.10 m

Source: (South Africa, 2003:10)

Despite the opposing views on what constitute SMMEs, there are some areas in which scholars within this field do agree. One is that small business enterprises constitute the greater part of most economies globally and that they can serve as a tool for economic development (Day, 2000:1033; Kotelnikov, 2007:3; Storey, 2006:7). This highlights the reason why SMMEs continue to receive support from respective governments in form of policies and regulations.

2.3   The role of government

There is a growing awareness of the important role SMMEs play in economic development (Abor & Quartey, 2010:218). This has led to various forms of initiatives by various governments. For instance, in Albania, the government is supporting SMEs to be more competitive in the EU through Train-the-Trainer programmes which offer SMEs new ways of 'saving' and 'making money' by imparting skills aimed at making production units more optimised and taking full advantage of their human resources, thereby dramatically reducing costs and increasing returns. Modules in such   programmes   include: Business   Planning   and   Strategic   Management,

Production Management, Quality Management Systems, Human Resource Management and Sales/Marketing/Export Management. In the same vein, many governments of the Organisation for Economic Co-operation and Development (OECD) economies have implemented programmes to enhance SMME training in order to realise benefits from high performance SMMEs, (OECD, 2002:5).

The government of South Africa has focused on SMME development by initiating strategies and policies as a means of achieving national objectives like alleviation of poverty and job creation (Ladzani & Van Vuuren, 2002:154; Rogerson, 2001:116). The strategies are based on the assumption that SMMEs will perform better within an enabling environment. Various interventions have been initiated such as the Reconstruction and Development Programme (RDP), as well as the Growth, Equity and Redistribution (GEAR) project aimed at encouraging entrepreneurial activities within the SMME. Other policies aimed at supporting SMME development includes: the Integrated Small Business Development Strategy for South Africa; the Black Economic Empowerment policy, tax policy and labour policies (Rogerson, 2000:676). In order to assess the effectiveness of these projects, there is a need to examine not only how SMMEs have performed globally, but with a focus on the role South African SMMEs have played in the economy, in terms of creating employment, contributing to the country's GDP and to the alleviation of poverty.

2.4   SMME contribution to the economy

Small businesses are increasingly seen to be playing a vital role in the economies of both developing and developed countries (Olawale & Garwe, 2010:729). Their impact can be felt in the areas of job creation, contribution to an economy's Gross Domestic Product (GDP) and redistribution of income.

According to Ayyagari *et al.,* (2003) empirical studies show that SMEs contribute to over 55% of GDP and over 65% of total employment in high-income countries SMEs and informal enterprises, account for over 60% of GDP and over 70% of total employment in low-income countries, while they contribute over 95% of total employment and about 70% of GDP in middle-income countries. In the same vein,

Lukacs (2005:10) expounds that small businesses in the UK are crucial to the economy as they account for more than half of the total revenue and are also responsible for 56% of employment within the private sector.

World Trade Organisation (WTO) statistics reveal that in 2006, China became the second largest export economy in the world with 68% of these exports from the SMME sector (Hall, 2007:29). In the US, small businesses created two million jobs from 2000 to 2004; they are also a major source of innovation for the US economy accounting for 95% of all radical innovations (Daft, 2006:198).

In developing economies such as Ghana, the contribution of small businesses to the economy cannot be ignored. Abor & Quartey, (2010:218) affirm that they account for 85% of jobs in the manufacturing sector, contribute about 70% of the GDP and account for about 92% of businesses in Ghana. SMME job creation and labour absorption capacity is an area of prime interest for the South African government, considering that South Africa has a high unemployment rate of approximately 24.5% (Statistics South Africa, Quarterly Labour Force Survey 2009). In South Africa, SMMEs contribute 36% to the country's GDP; with its contribution to the GDP exceeding that of large businesses in some sectors such as agriculture, forestry and fishing sector (Ntsika, 2003:35). SMMEs also contribute significantly to the marginalised sector of South African society, especially with the inability of the formal sectors to provide new employment. The Department of Trade and Industry (South Africa, 1995) estimates that the average cost of creating jobs in the SMME sector is lower than creating jobs the in large business sector. SMMEs also contribute 57:3% to employment in South Africa (Ntsika, 2003). According to Dorfling (2001:19), SMMEs are able to operate in the informal sector by providing employment for the less privileged, thereby contributing positively to poverty alleviation, due to their nature and the very small size of some of the businesses in the sector.

Despite these laudable contributions and their potential role to accelerate growth and job creation in the economy, Abor & Quartey (2010:224) argue that SMMEs are still faced with a number of challenges which hinder them from achieving their full

potential. They are also characterised by a high rate of failure, not just in South Africa and the rest of the developing economies (Olawale & Garwe, 2010:729; Okpara & Wynn, 2007:25), but globally (Brink, Cant & Ligthelm, 2003:2). South Africa has a very high SMME failure rate which is estimated to be between 70 to 80% and millions of Rands are being lost in businesses due to avoidable mistakes and problems (Van Eeden, Viviers & Venter, 2003:13).

2.5   SMME challenges

SMMEs make up an integral part of a larger economy and therefore they are influenced by various factors (Cant, Strydom & Jooste, 1999:23). Similarly, Van Eeden *et al.,* (2003:14) affirms that SMMEs are part of an open economy and as such are influenced by and will influence variables in the business environment. Therefore, problems faced by SMMEs can be categorised broadly based on their origin as either internal (micro) environment or external environment which consist of macro or market variables (Cant *et al.,* 1999:23).

2.5.1 External environment (macro and market variables)

These are problems that are economic, political, socio-demographic and technologically oriented and usually the owners/managers of these small businesses can exert no control over such problems. Prominent external problems include crime, corruption, resource scarcity and rapid technological changes (Brink, 1997:354). SMMEs in developing countries are characterised by some of these external problems. Okpara (2011:156) reported corruption, low demand for products and poor infrastructure as some of the challenges inhibiting the development of SMMEs in Nigeria.

In South Africa, most of the studies that have investigated external factors inhibiting SMMEs growth and development have come up with similar findings (Brink, 1997; Brink *et al.,* 2003; Olawale & Garwe, 2010; Van Eeden *et al.,* 2003). Van Eeden *et al.,* (2003:21) found that SMME owners perceive external problems as being the most common type of problem affecting the success of their business: in particular crime, high unemployment and inflation impede their ability to plan and budget

effectively. Due to their smaller budgets to fight crime, SMMEs are exposed more to the effects of crime on their businesses. Likewise, the impact of unemployment does not only reduce the purchasing power of the economy but also increases socio-economic problems such as crime and HIV/AIDS.

Another external factor affecting SMMEs is technology. For example, SMME owners in the previously disadvantaged townships of South Africa have had problems with understanding the effects of changing technology and its impact on their businesses (Brink, 1997:354). Market variables such as inadequate demand and high competition are also highly ranked by SMMEs as growth inhibitors (Olawale & Garwe, 2010:732). Furthermore, Brink *et al.,* (2003:11) observed from their studies that SMME owners with management qualifications tend to be more in agreement with the negative impact of market variables such as increased competition, lack of knowledge of competitors and ineffective marketing as having an impact on their businesses.

In order to overcome external problems that impact on the growth of SMMEs, Olawale and Garwe (2010:735) propose, among other things, that new SMMEs should produce business plans that forecast cash flow requirements. However in view of economic uncertainty caused by fluctuating exchange rates, stagnant economic growth and unpredictable interest rates, implementation of such plans might be unlikely to succeed (Van Eeden *et al.,* 2003:14). For market related variables impacting negatively on the businesses, Brink *et al.,* (2003:11) suggest that a better insight into market–related issues is an important factor for business success.

2.5.2 Internal environment

Deficiencies within the internal environment in areas such management skills, financial knowledge, lack of expertise in functional areas such as marketing and human resource management are said to be the major factors affecting the success of SMMEs (Ligthelm & Cant, 2002:3) and these are factors that are largely controlled by the business (Olawale & Garwe, 2010:731). Internal causes of failure are

summarised by as deficiencies in three areas namely: management skills, management behaviour and functional knowledge.

Businesses require adequate financing not just in their formative stage but also at later stages for the purpose of development and growth; however, lack of access to or adequate financing is a major constraint for SMMEs (Van Eeden *et al.,* 2003:14). In South Africa, access to finance is a major problem for SMMEs. For instance, Van Eeden *et al.,* (2003:22) posits that prior studies established that 75% of applications for bank credit by new SMMEs were rejected. They explained further that results from their study indicate that the more sophisticated the form of ownership, the less likely the business experienced financial problems.

Marketing factors capable of affecting SMME success include insufficient marketing, poor location of business, inability to conduct proper market research, poor products and services and misreading customer trends and needs (Brink *et al.,* 2003:4). Some other factors include specific management issues such as lack of managerial training and skills, absence of management behaviour and action required to set strategic goals, lack of management commitment and unwillingness to adapt to change (Ligthelm & Cant, 2002:6-7). However, in the empirical study by Brink *et al.,* (2003:12) the majority of respondents who were business owners did not see management training as lacking and thus influencing their business; nonetheless, this was explained as a form of social bias where the respondents sought social approval in the eyes of the interviewer.

With regards to human resource issues in SMMEs, problems experienced include inability to attract and retain suitable staff, loss of key employees, low productivity and inadequate training of employees (Ligthelm & Cant, 2002:3; Brink *et al.,* 2003:5). These issues are so vital that one of the most serious HR issues mentioned by one in every three respondents in a survey is inability to attract and retain staff (Brink *et al.,* 2003:20). However, in contrast to the above findings, Van Eeden *et al.,* (2003:21) established that some owners do not perceive human resource issues as serious problems capable of jeopardising the success of the business.

While SMMEs have been studied from various perspectives, such as their reasons for failure (Olawale & Garwe, 2010), entrepreneurial training (Nieman, 2001; Ladzani & Van Vuuren, 2002), problems encountered by SMMEs (Brink *et al.,* 2003), assessing performance of SMMEs and their impact on the economy (Rogerson, 2004), there still exists a gap in literature with regards to employee management within SMMEs especially within the South African context. Devins *et al.,* (2004:449) have suggested that there should be more research focused on employee dimensions within small businesses. This necessitates discussions in the next section which focuses on the issue of human resource management within SMMEs.

2.5.2.1   Human resource management in SMMEs

Andersen (2003:2) affirms that HR researchers have ignored the small business sector, even though it offers an ideal model for research considering size, growth rates and diversity in the area of management practices. SMMEs are confronted with challenges both from the external and internal business environment. The managers or owners of these small businesses have no control over the external factors. However, the internal factors that are a source of constraints can be controlled by the management because they involve decisions, behaviours and actions of the business owner/manager and their employees (Ligthelm & Cant, 2002:4). If SMMEs are to take their place as drivers for economic development, there is a need to overcome these barriers to business growth - especially problems within their control.

Many of the internal problems in SMMEs such as inability to attract and retain key employees, shortage of skilled labour, low productivity, low employee morale, inadequate or lack of employee training, lack of management skill and training are related to human resource management (Van Eeden *et al.,* 2003:15). Based on this, there might be a need for SMMEs to evaluate their HR practices such as their recruitment and selection practices, compensation and benefit as well as employee training and development. According to Williamson (2000:28), potential job seekers perceive that an organisation is a desirable, proper and appropriate employer based on the type of systems, norms and values that are held by the organisation, which is a key factor in attracting and retaining employees.

Employee training and development has been said to enhance skills (Sahinidis & Bouris, 2008:64), reduce employee turnover (Brum, 2007:10) and consequently improve performance (Jayawarna *et al.,* 2009:332). Training is particularly imperative for South African SMMEs considering the country's history of under-investment in human capital (Berry *et al.,* 2002:61) which has resulted in a largely under-skilled and under-educated labour force. In the World Bank's review on South Africa's investment climate (World Bank, 2010), skills shortage was one of the problems that topped company managers' list of obstacles to business growth. Furthermore, in corroboration with assertions from literature, findings show that in South Africa, larger businesses are more likely to provide training than SMMEs (Kitching & Blackburn, 2002:2; Devins *et al.,* 2004:449). However, there is a gap in the literature with regard to the causes of these problems and their possible solutions. Due to the diversity and large number of businesses that fall within the 'umbrella' of SMMEs, a study of this nature would necessarily have to strategically define which area of that sector to focus on. Due to the heterogeneous nature of the SMME sector, comprising of small businesses from diverse industry, and in line with Rogerson's (2001:120) apt observation that focusing on a particular industry will enable findings to be generalised to some extent*,* this study will focus on SMMEs in the hotel sector.

2.6   Overview of the Hospitality and Tourism Industry

The service sector is increasingly becoming important to the global economy. Okumus, Altinay and Chathoth (2010:21) have observed that the tourism and hospitality industry is often seen as the most important industry in the service sector. According to the World Tourism Organisation (WTO), tourism is currently the largest industry in the world (Pender & Sharpley, 2005:2) and is rated number one globally in terms of income generation and job creation.

The tourism and hospitality industry has the potential to generate employment, increase national income and improve an economy's foreign exchange as well as contribute to the welfare of the immediate community (Andriotis, 2002:333). This industry is therefore seen as a mechanism for driving economic growth, especially in

developing economies where it plays a critical role in poverty alleviation (Blanke & Chiesa, 2009:xiv). According to South African Tourism (SAT, 2007:8), tourism has been on the rise in South Africa, with international arrivals growing from 4.94 million in 1996 to 9.1 million in 2007, achieving an annual growth rate that exceeded that of the global average in 2007. Given this performance, the industry has been identified as one of the key growth drivers of the economy (Maumbe & Van Wyk, 2008:118).

Due to the large size and complexity of the industry, providing a concise definition would be a challenge (Ninemeier & Perdue, 2008:4). However, there is a close link between hospitality and tourism as they are closely entwined and often used interchangeably (Kusluvan, 2007:4), sometimes being perceived to mean the same thing (Ninemeier & Perdue, 2008:4).

2.6.1 The Interdependence of the Hospitality and Tourism Industry

There continues to be a lack of agreement on what encompasses the tourism and hospitality industry and the kind of relationship that exists between them (Okumus *et al.,* 2010:21). Nevertheless, an approach would be to define the industry and establish what is distinct to each industry and what they have in common.

The hospitality industry refers to all businesses providing food, beverages and lodging to people who are away from home (Kusluvan, 2007:4). The tourism industry, on the other hand, refers to all businesses catering for the needs of the travelling public (Ninemeier & Perdue, 2008:4); it is the part of the economy which has a common function of meeting the needs of the tourist (Medlik, 1993:149).

Based on these definitions, the major linking factor between the hospitality and tourism industry is in the area of service provision for the travelling public. This closely links the two industries, forming a hospitality and tourism network which Chon and Sparrow (2000:6) refer to as 'a complicated interconnection of a component'. While it is clear there is an overlap between the tourism and hospitality industry, it must be noted that there are a number of services provided to the customers, which are distinct to the hospitality industry, such as provision of food, beverages and

accommodation (Knowles, Diamantis & El-Mourhabi, 2001:53). In an attempt to clarify the distinction between the tourism and hospitality industries, Pender and Sharpley (2005:8) further explain that the tourism activities cover a variety of sectors such as accommodation, travel and transport. Some of these sectors within the tourism industry are relatively independent sectors which can be referred to as industries in their own right (Henderson cited in Pender & Sharpely, 2005:8).

The figure below depicts the relationship between the tourism and hospitality sector as well as the various components that make up the hospitality sector. The hospitality sector comprises the accommodation and the food services sub-sectors which are also closely linked as most hotels provide food and beverages for their customers.

Figure 2.1 Sectors and sub-sectors of the Tourism Industry
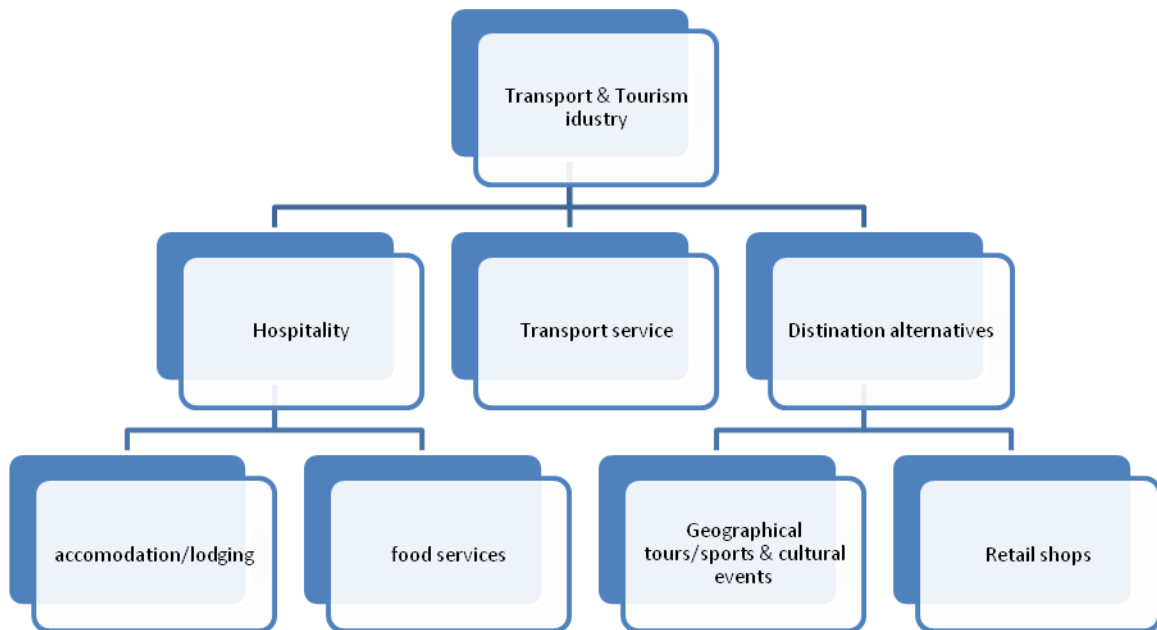
Source: Ninemeier and Perdue (2008:4)

2.6.2 Accommodation sector

The accommodation sector is said to be the largest sub-sector of the tourism industry (Sharpely, 2005:15). The accommodation sector is both large and diverse, consisting of hotels and similar businesses, ranging in size from as few as 10 rooms to hundreds of rooms, while as many as 5,000 rooms can be found in countries like the USA (Chon & Maier, 2010:2). The majority of businesses within this sector are independent, small and closely run as family businesses, having less than 50 rooms and accounting for 79% of accommodations globally; larger hotels however account for the bulk of the revenues generated (Knowles *et al.,* 2001:61).

Besides its potential for revenue generation, this sector also contributes to economic development through employment creation. In the USA, the lodging sector employed a total of 1.16 million people and generated $85.6 billion in 1997. Chon & Maier (2010:12) state that the sector has witnessed a substantial growth, currently generating an annual income of nearly $90 billion and employing nearly 18.5 million people within the USA alone. Investment and growth in the hotel sector of an economy could result from expansion of the economy thereby stimulating both domestic and international travel; and expansion of the sector may also occur as a result of a growing tourism sector (Knowles *et al.,* 2001:61).

This is particularly true for South Africa where the accommodation sector has witnessed a significant growth due to its re-integration into global markets as well as a rise in the tourism industry due to the attainment of democracy (Maumbe & Van Wyk, 2008:117). The accommodation sector according to Rogerson (2010:207) has remained the most dominant sector for tourism investment and there has been a growth in smaller scale, less formal tourist accommodation type over the past ten years. Statistics South Africa (Stats SA, 2009), in its publication of tourist accommodation statistics, categorises accommodation into hotels, caravan parks and other accommodation. Within the accommodation sector, the most visible and significant sub-sector is said to be hotels (Cooper, Fletcher, Gilbert, Shepherd & Wanhill, 1998:315).

2.7   Hotel sector

Lubbe (2005:114) defines a hotel as an establishment whose main business is to provide accommodation facilities for the general public as well as providing one or more other services such as food and beverage service, room service and laundering of linens. Apart from provision of accommodation, Nasution and Mavondu (cited in Kruger, Appel & Saayman, 2010:1) assert that hotels provide a variety of other services such as catering, meeting rooms, conference facilities and entertainment, all offered within a friendly environment. They play a vital role in an economy by providing facilities for accommodation, for transacting businesses and meetings, conferences as well as for recreation and entertainment (Medlik and Ingram, 2000:4).

Hotels also contribute to the development of an economy as an employer of labour; they create thousands of jobs in many countries. Many within the sector are self employed and owners of small hotels. The role as an employer of labour is particularly important in economies where there are few alternative sources of employment. The British hotel sector created more than 50 000 jobs between 1982 and 1990, which was three times more than the rate of job creation in the whole economy. Similarly in the USA, Medlik (1994:5) stipulates that between 1980 and 1990, the hotel sector created more than half a million jobs which was 2.5 times the rate of job creation for all USA industries.

Another benefit of this sector is that it is highly labour-intensive. Kusluvan (2007:5) maintains that investments made in this sector would generate more employment opportunities than if the same amount of investment was made in other sectors. Medlik (1994:4) further points out that hotels can also serve as foreign currency earners if they receive foreign visitors, thereby contributing significantly to their economy's balance of payment.

2.7.1 Features of the hotel sector

According to Medlik (1994:141), hotels in most countries can be categorised as small, whether measured by the scale of investment, number of people employed or number of rooms and beds. This sector is characterised by a high incidence of small businesses (Knowles *et al.,* 2001:211) both in developed as well as developing economies (Kusluvan, 2007:10). Baum (1999) affirms that 90% of tourist accommodations globally are considered small in business category and this is corroborated by Okumus *et al.,* (2010:23) who observe that in the EU, this sector is dominated by SMMEs.

Similarly, in South Africa - due to the rise in tourism activities - the accommodation sector (of which the hotel sector is the largest subsector) has been a major beneficiary of this development. This has also led to an increase in the number of small businesses operating in this sector (Maumbe & Van Wyk, 2008:122).

Another key feature of this sector is that it is characterised by high labour turnover (Davidson, Timo & Wang, 2010:452). As a result of the rate of turnover in this sector, many employees go into it with the intention of spending a limited amount of time (Iverson & Deery, 1997:79). The average job tenure in USA and UK are 1.5 years and 2 years respectively (Kusluvan, 2007:5). In South Africa, the hotel sector is equally characterised by high turnover (Kruger *et al.,* 2010:8), with rates varying between 2%-36% in different hotel groups (Grobler & Diedericks, 2009:13).

The majority of jobs in the hotel sector have been described as either semi-skilled or unskilled, implying that that the knowledge and skills required for most of the jobs in this sector can be easily learned with little or no formal training and education. Two thirds of the jobs in the hotel, restaurant and catering sector are either unskilled or semi-skilled; with 6% managerial, 8% supervisory and 22% skilled (Riley 1996:18-19).

This high percentage of low profile jobs is said to be a reason for low pay and poor working conditions in this sector (Teixeira & Baum, 2007:158). Baum (1996:208)

argues that in developing countries, the sector needs to recruit employees with a much higher level of educational attainment and all round skills than their counterparts in the developed countries. The reason for this is that people in the developed countries have a better knowledge of the industry and culture, whereas positions like front desk officers in developing countries should acquire cultural and communication skills to provide service which is at par with international level.

With regards to training in the sector, informal on-the-job is the most common type of training within this sector (Nolan, 2002:93). Here again, the educational level of employees in the sector is also believed to be low (Teixeira & Baum, 2007:161).

A large number of research efforts in the hospitality and hotel sectors have largely focused on large businesses, irrespective of the fact that the sector is characterised by a high population of SMMEs (Davidson *et al.,* 2010; Iverson & Deery, 1997; Maxwell & Steele, 2003). However, other studies have focused entirely on the sector without making any distinction between small and large businesses (Kruger *et al.,* 2010; Maumbe & van Wyk, 2008).

2.8   South African hotel sector and SMME hotels

In the national audit of hotel establishments operating in South Africa conducted in June 2010, it was estimated that a total of 1,185 hotels were operating in South Africa (Rogerson, 2010:430). In 2007, the hotel sector in South Africa was the highest contributor to the country's accommodation sector: in terms of employment creation, the sector employed over 46, 000 people which amounts to 64.4% of the employment within the South African accommodation sector (Kruger *et al.,* 2010:1). However, these figures are not specific to the contribution from different categories of hotels (large and small hotels) but rather are combined figures from both large and small hotels.

Due to increased popularity of South Africa as a destination for tourists in the first half of the 20th century, the need for accommodation, especially more and better hotels, increased (George, 2007:27). International arrivals grew by 68% within a decade,

from 4.94 million in 1996 to 8.39 million in 2006, achieving an annual growth rate which almost triples the global average. This has had a significant influence on the birth, development and dynamics of small businesses within this sector (Maumbe & Van Wyk, 2008:121).

Despite the growth witnessed in this sector and its significance to the South African economy, there have not been many studies carried out within the hotel sector. Rogerson (2010:426) affirms this by stating that South African hotel sector is one of the most neglected features of the tourism sector. Despite the surge in tourism research over the last decade, only a few studies have been published on investigation of different elements in the hotel sector. Most of these studies have focused mostly on large hotels or a combination of both large and small hotels (Cornelissen, 2005; Grobler & Diedricks, 2009; Maumbe & Van Wyk, 2008) with none focusing solely on SMME hotels.

The drawback with this approach is that small businesses are different not just because of their size but as well as their growth rate and diversity in the area of management practices (Andersen, 2003:2) and therefore should not be treated as scaled-down versions of large businesses (Morrison and Thomas, 1999:148). This study represents a small contribution to both understanding and literature on hotels within the SMME sector. Based on the literature on the South African hotel sector, comprising studies from both large and SMME hotels, the following can be deduced:

- The sector is characterised by a high turnover rate. Findings from studies have indicated that the South African hotel sector is characterised by high potential levels of employee turnover (Kruger *et al.,* 2010:8, Maumbe & Van Wyk, 2008:126).

- With regard to training, findings point to insufficient training with the majority of the training carried out being on-the-job type of training (Maumbe and Van Wyk, 2008:127).

- In the area of research, there has been limited number of studies, with particular reference to SMME hotels.

- The majority of hotels are concentrated in the Gauteng and Western Cape provinces.

The Western Cape Province has been identified as the apex of tourism destination among the nine provinces in South Africa, receiving about a quarter of all international visitors into the country (Maumbe & Van Wyk, 2008:121). In 2006, the Western Cape Province received a total of about 1.7 million visitors, an increase of over 90% when compared to the previous year and making R19.8 billion in total direct spend for international visitors (Stats SA, 2007). The Western Cape receives the bulk of visitors from overseas countries when compared to the other provinces, receiving 67% and 57% of all European and American visitors respectively into South Africa. The Western Cape Province is divided into six tourism regions, with the City of Cape Town receiving the majority of tourist arrivals, with over 90% of all international visitors visiting Cape Town (Stats SA, 2007). The accommodation sector is the major beneficiary of this boom in tourism activities (Maumbe & Van Wyk, 2008:121) as they account for the largest proportion of tourist expenditure (Cornelissen, 2005:170).

The City of Cape Town has the largest share of accommodation supply when compared to the other tourist regions in the Western Cape, with the hotel sector making up 65% of the total bed supply in the city. Furthermore, within the City of Cape Town, there is a concentration of hotel units in the Cape Town Metropole, making up 80% of the bed supply. Table 2.2 below illustrates how the hotels are distributed within the City of Cape Town. In the absence of a sample frame, directory or database consisting of only small hotels, population for this study was sampled from among the distribution of hotels from the table below.

Table 2.2 Distribution of hotel beds in the Cape Metropolis

Municipality	No of hotel units	No of hotel beds	Percent of total
Cape Town	67	10, 812	80%
Tygerberg	9	1, 076	8%
Helderberg	9	779	5.8%
South Peninsula	9	360	2.6%
Blaauwberg	4	280	2.0%
Oostenberg	2	216	1.6%
Total	**100**	**13, 523**	**100**%

Source: Cornelissen (2005:171)

In a nutshell, the South African hotel sector has developed significantly, aided by the favourable economic and political changes brought about by an end to the apartheid regime and the country's re-integration into the global market. However, hotels in the SMME sector which form an integral part of the accommodation sector are highly unregulated, making it difficult to get true statistics on the sector (Prodigy & Thorton cited in THETA, 2007:15). This growth and development of small hotels also comes with challenges such as shortages of skilled labour. The Tourism Hospitality sports Education and Training Authority (THETA, 2007:30) affirms that there appears to be an insufficient supply of skilled labour to match the growing demand. The challenge

is further made complicated by the reluctance on the part of SMME management and owners to engage in employee training (McGrath, 2005:5).

2.8.1 Training in South African small hotels

Due to the insufficient supply of skilled workers to match the growing demand, THETA (2007:30) states that only one out of every four formal enterprises in the sector confirmed they were able to find specific skills needed. This highlights the need for employee training within the sector.

As illustrated earlier, studies on training within the South African hotel sector have focused mainly on the big hotels or a combination of both large and SMME hotels. Grobler and Diedericks (2009:16) established that most big hotels implement training for their employees. On the contrary however, Maumbe and van Wyk (2008:124-127) in their study which focused on employment features within several large and small hotels in Cape Town, established that there is a low level of education within the hotel sector but also found that 72.5% of respondents had plans to further their education. Another key finding from this study was the high level of training, with 71% of respondents admitting that they had attended some form of on-the-job training. The challenge with this study, though, is that respondents were drawn from very large to medium and small hotels and results are not disaggregated in such a way as to clearly indicate the extent to which hotels falling within the purview of SMMEs provided training for their workers.

The factor that links the majority of studies on training within SMMEs is that they tend to focus exclusively on the perspective of the owner or manager of the business (Devins et al., 2004:449). This is also evident in South Africa as most of the studies done (e.g. Erasmus & Van Dyk, 2003; Ladzani & Van Vuuren, 2002) are focused on the perspective of the entrepreneur. McGarth (2005:5) expounds further that there is reluctance on the part of SMME owners to train employees.

On the part of government, agencies established for providing support such as training for SMMEs have not been very successful. Further insight on training is

provided by the World Bank's assessment of government SMME programmes. Results from the assessment suggest that government programs to encourage training such as SETA, have not been successful (World Bank 2006). A major factor for the non performance of SETA might be capacity constraint. According to Earle-Malleson (2009:310), THETA, which is the SETA for the tourism and hospitality sector, is faced with a shortage of training providers and is therefore not able to meet the demand for skills training within the sector.

Despite these challenges, the South African government has a mechanism in place to aid employee training within the workplace. The following section provides discussions on the policies and mechanism for training within the South African workplace.

2.8.2 Training in South Africa's workplace

In South Africa, development of the labour force is given high priority. This is in line with the observation that education and training are two of the most important factors that will affect economic growth, political stability and social success (Erasmus, Loedolff, Mda & Nel, 2006:49). In order to achieve these, the National Skills Development Strategy (NSDS) and the National Human Resource Development Strategy (NSDS) have implemented national legislation governing education and training of South African employees (Rainbow SA cited in Kiley & Coetzee, 2007:184).

Workplace training in South Africa is governed by a number of acts, including the Skills Development Act (No. 97 of 1998), the Skills Development Levies Act (No. 9 of 1999) and The Skills Development Amendment Acts (No. 31 of 2003 and No. 37 of 2008). The aims of these acts are as follows:

- Develop the skills of the South Africa's workforce.
- Increase the level of investment in education and training.
- Encourage employers of labour to use the workplace as an active learning environment.

- Ensure quality of learning in the workplace.
- Encourage workers to participate in learnerships.
- Help job seekers and retrenched workers find jobs and help employers find qualified employees.
- Improve the employment prospects of the previously disadvantage population.

These goals are achieved through a number of institutional and financial frameworks including a number of bodies and processes established by the government. Some of them are outlined below:

The Skills development planning unit: is responsible for researching and analysing the skills development needs of the various sectors, organs of the state and the South African economy as a whole. It also assists in the formation of national skills development strategy and sector skills plans, and provides information to various stakeholders on skills issues (Kiley & Coetzee, 2007:187).

The Skills Development Levies Act (No. 9 of 1999): requires that all private sector employers who employ 50 or more employees pay a skill levy of the equivalent of 1% of their payroll to the South African Revenue Service. These levies are used for skills development but employers can claim 65% of this levy back by showing proof of employee training through the submission of workplace skills plans and annual training reports to the relevant SETAs. This serves as motivation for employers to encourage employee training in their various organisations.

Sector Education and Training Authorities (SETAs): are responsible for the education, training and skills development of employees at sector level. The Minister of Labour by law may establish a SETA within a constitution for any national economy sector (Erasmus et al., 2006:78). SETAs have the responsibility for developing sector skills plan as well as implementing these plans through establishment of learnerships, approving workplace skills plan and allocating grants to employers, education and training providers. They also ensure standards of training and education at sector level through monitoring.

The Tourism, Hospitality, Sports Education and Training Authority (THETA): is the SETA established under the Skills Development Act (No. 97 of 1998) for the tourism, hospitality and spots economic sectors. THETA's objectives include developing skills of employees in this sector, through increased levels of investment in education and training within the tourism and hospitality sector. Other objectives include encouraging employers within the sector to train their employees and assisting job applicants to find jobs and employers to find qualified workers (THETA, 2007).

2.9   Conclusion

SMMEs have the potential to be economic drivers but they are faced with both internal and external challenges working against their potential. From the review of literature the following have been identified: SMMEs in the hotel sector (small hotels) are characterised by high employee turnover, shortage of skills and inadequate employee training. The majority of studies on employee training within SMMEs are focused on the perspective of the business owner or manager, creating a gap in literature; and there is a larger gap with regards to employee training in small hotels as the limited empirical studies in this sector are focused on large hotels especially in South Africa (as a result of this, a lot of the literature reviewed was from other countries).

The next chapter presents a review of literature on the research variables of: employee perceptions of training, organisational commitment and turnover intentions. Discussions will also focus on the relationships between the variables.

CHAPTER THREE

DEFINITION, OVERVIEW AND RELATIONSHIP BETWEEN RESEARCH VARIABLES

3.1   Introduction

As the global economy is moving from an industrial era to one that is becoming increasingly knowledge-based, organisations are becoming more dependent on employee skills and knowledge as a source of competitive advantage and also as a means of increasing organisational performance. This has led to increased levels of employee training within organisations. Given this trend, the tendency would be to assume that training would be a key predictor of employee performance in organisations. However, there seem to be contradictory results on the relationship between training and organisational performance. Some scholars have suggested that a productive way of examining the relationship between training and organisation performance would be to examine the relationship between training and employee attitudes such as commitment (Bartlett, 2001:336).

Since the main objective of this study is to examine the relationship between employee perceptions of training, organisational commitment and its impact on turnover intentions, this chapter provides a theoretical background of the key research variables which includes the concepts of employee perceptions of training, organisational commitment and turnover intentions. This will be achieved by discussing the concept of training, employee perceptions of training and its impact on both individual and organisational outcome; providing an overview of organisational commitment and the three component model of organisational commitment; discussing turnover intentions as a planned behaviour and the consequences of turnover; and reviewing relationships among the three concepts based on empirical evidence.

3.2.   The concept of training

Definitions of training have described the concept as consisting of organised learning activities that are capable of influencing individual skills and knowledge of the job, thereby improving performance, and that such activities can take place on or off the job (Huang, 2001:439; Kitching & Blackburn, 2002:4). However, a broader definition of training is provided by Noe (cited in Al-Emadi & Marquardt, 2007:54), who defines training as "planned activities on the part of organisation targeted towards increasing the job knowledge and skills or to modify the attitudes and behaviours of employees in ways consistent with the goals of the organisation and the requirements of the job". Unlike the previous definition, this one highlights the intended impact of training on employee attitudes and behaviours.

The general assumption is that organisations that give priority to employee training will be better placed to succeed than others over time (Jayawarna *et al.,* 2007:322). This is the premise that gives strength to the significant investment made in SME training within Europe through the European Social Funds (Devins & Johnson, 2002) and many national governments in the Organisation for Economic Co-operation and Development (OECD) countries (Storey, 2004).

On the other hand South Africa has had to implement training policies as a means of addressing the skills shortages and training needs of its population after years of apartheid rule (Van Dyk, Nel, Loedolff & Haasbroek, 2001:35). This is done with the aim that training and education will promote skills development for employability and counterbalance the effects of skills shortages.

In the USA, the American Society for Training and Development (ASTD) established that the average annual training expenditure increased from $135 in 2003, to $955 in 2004 per employee. With increased investment in training, Brum (2007:1) suggests that it has become imperative for employers to understand training and its impact on the organisation. This has also placed continued pressure on Human Resource Management (HRM) scholars and practitioners to develop more effective training methods and conduct evaluations that demonstrate a return on investment made on

training by organisations (Bartlett, 2001:336). In order to achieve this, it is necessary to have an understanding of what training intends to achieve.

Bartlett (2001:337) asserts that training can be viewed as a management practice that can be used to control and utilised to elicit a set of unwritten, reciprocal behaviours and attitudes such as job involvement, motivation and organisational commitment. Training has also been viewed as a tool for change management. For instance, Ivancevich (2007:399) states that training can be used to alter employee behaviour so as to conform to the achievement of organisational goals. Similarly, Knoke and Kalleberg (1994:537) suggest that training can be used to manage changes brought about by technology, competition and downsizing within the organisation.

However, despite the intended benefits that training can bring to an organisation, Brum (2007:1) points out that there is still a significant amount of argument amongst scholars and professionals on the impact of training on both the employee and the organisation as a whole. Some studies have shown that the type of training implemented has an impact on employee attitude (Benson, 2006). In order to better understand the relationship between costs and returns to training, Becker (1993) identified two mutually exclusive forms of training, namely; general and specific training.

3.2.1 General versus specific training

Becker (1993) describes general training as training which has the ability to raise employee productivity, not just with the present employers but with other organisations within the labour market. Examples of general training according to Brum (2007:5) include apprenticeship training, computer training and college-based courses. On the contrary, specific training according to Benson (2006:177) raises productivity only in the present organisation providing the training. Examples of this form of training include specific company training.

Becker's argument is that since general training raises an employee's future productivity not just with the current employers but with other organisations within the labour market, the current employer will not bear the cost of such training (Loewenstein & Spletzer, 1999:712). The underlying premise of this is that in a competitive labour market, workers are paid according to their level of production. Therefore a company offering general training will have to pay wages commensurate with an employee's new level of productivity and skills acquired or risk losing the employee to other organisations (Brum, 2007:5) therefore increasing the likelihood of employee turnover.

In contrast, Loewenstein & Spletzer (1999:712), argue that since specific training does not lead to increased productivity and higher wage offers from other firms, current employers will be willing to bear the cost of such training. Brum (2007:5) expounds further that because training is specific to a particular company and not transferable, employee productivity increases within that particular company but remains the same for other companies in the labour market hence reducing the likelihood of turnover.

From a theoretical perspective, Becker's distinction between general and specific training has received some criticism. Bishop and Suk Kang (1996) argue that Becker's theory can only become feasible under the following conditions: that labour markets are actually competitive, workers can fund general on-the-job training by borrowing at a fixed rate and if general skills can be cheaply signalled to other potential employers.

Becker's assumptions that organisations will not be willing to pay for general training was also criticised by Brum (2007:6), who argues that studies have demonstrated that companies invest in a blended form of general and specific training without even realising it. Loewenstein & Spletzer, (1999:712) states that in contrast to theoretical literature on specific training, results from their study demonstrated that most of on-the-job training was general; both employees and employers were aware that training

provided skills that could be useful in companies other than the one providing the training.

In their study of Irish companies, Barrett and O'Connell (2001:660) established that general training had a positive and significant relationship with productivity while specific training had an insignificant relationship with productivity. They argue that companies that invest and provide general training make their participants feel like 'insiders', and that the sense of being an insider is then displayed by greater effort, improved work ethic and productivity. These 'insiders', in order to pay the debt, become more committed to the organisation, contrary to Becker's assumption that this type of training enhances employee turnover.

As illustrated above, specific or general forms of training focuses on the type of skills or knowledge to be imparted. Evertsson (2004) suggests that specific or general training can take the form of formal or informal training.

3.2.2 Formal versus informal training

Patton and Marlow (2002:261) define formal training and development as 'initiatives which can be identified by both recipient and deliverer as an intervention which has a structured mode of delivery, where the aim is to impact new awareness or knowledge of a workplace process or activity'. Formal training methods range from qualification courses run by universities or colleges, courses run by outside providers, and distance learning courses. Formal training can also be carried out on work premises such as in-house courses run by outside providers, formal in-house courses run by company staff and internet-based courses (Jayawarna *et al.,* 2007:335).

On the other hand, informal training initiatives are fragmented, flexible and ad-hoc in nature, where initiatives are dependent on a number of factors such as the environment, the nature of the current task and the ability of the individuals to learn (Jayawarna *et al.,* 2007:324-335). Informal methods include appraisal, coaching, promotion on a temporary basis; they also include informal seminars and meetings

and networking. In comparison to formal training, informal training lacks structure and stated objectives.

Huang (2001:442) suggests that it is generally agreed that training within small businesses is usually informal in nature, but in spite of this, most of the research studies conducted in small businesses are focused on formal training. Be that as it may, Devins *et al.,* (2004:449) suggest that the propensity for an organisation to undertake formal training increases with the size of the organisation. Kitching and Blackburn (2002:2) observed that the focus on formal training by researchers is seen as a mismatch between actual firm practice and research focus, as most of the training being implemented within SMMEs is informal in nature thereby creating a gap in knowledge.

Nevertheless, formal training within manufacturing SMMEs has been demonstrated to have a significant positive impact on performance over and above informal training (Jayawarna *et al.,* 2007:329). Contrary to the above approach, Kitching and Blackburn (2002:4) showed no distinction between formal and informal training in their research study. They are of the opinion that SMEs are oblivious of this distinction, therefore such distinction would only serve to diminish the importance of much of the training conducted by small businesses. Huselid (1995:637) states that more importantly, employees should be provided with training, whether formal or informal, as training can help motivate and influence employees' development.

3.3   Employee Perceptions of Training

A key objective of this study is to establish the relationship between employee perceptions of training and organisational commitment. Employee perceptions of training are operationalised using three different sub-variables utilised in prior similar studies (Bartlett, 2001; Newman *et al.,* 2009). They include the following:

3.3.1 Perceived Availability of Training (PAT)

Availability of training refers to the extent to which employees feel they have access to training opportunities within the organisation (Newman *et al.,* 2009:8). According to Ahmad and Bakar (2003:170), research has shown that Human Resource (HR) practices such as training will have the greatest impact on affective commitment when it is believed that the organisation is motivated by the desire to create an atmosphere of care and concern within the organisation. When employees perceive that they have access to training opportunities within the organisation, they feel that the organisation cares for them and is also willing to invest in them; in turn this enhances their productivity, attachment and display of loyalty towards the organisation (Bulut & Culha, 2010:318).

Perceived availability of training has been linked to work-related attitude such as job satisfaction and organisational commitment (Ahmad & Bakar, 2003; Bartlett, 2001; Bulut & Culha, 2010). In their study, Ahmad and Bakar (2003:174) established a strong positive relationship between perceived availability of training and affective commitment, but no relationship was established with continuance commitment. This is consistent with other findings (Bartlett, 2001:343; Bulut & Culha, 2010:316), an indication that with perceived availability of training, employees are more likely to feel emotionally attached and loyal to the organisation but do not consider availability of training a high cost to forgo when considering to leave the organisation.

Availability of training has been shown to have a significant impact on the level of commitment established. Accordingly, Bartlett and Kang (2004:423) contend that organisations with higher levels of availability to training will be more likely to increase the number of committed employees. Similarly, Bulut and Culha (2010:318) posit that employees with higher perceptions of availability of training will more likely display higher levels of affective commitment. In view of this, Ahmad and Bakar (2003:181) suggest that organisations can enhance employee affective commitment by increasing training activities within the organisation. Brum (2007:10) expounds

further that commitment is higher in organisations where management allows access to and openly supports training.

3.3.2 Perceived Supervisor Support for Training (PSST)

Social support has been linked to having a positive impact on organisation commitment, as well as reducing turnover (Perryer *et al.,* 2010:911). Social support comes from three sources: family and friends, work colleagues and the immediate supervisor. Ahmad and Bakar (2003:180) state that supervisors and managers play a vital role in influencing employee perceptions of training.

Brum (2007:10) affirms that employees are more likely to place higher value on training programs that are highly valued by their managers and their supervisors. The degree of employees' perceived supervisor support for training not only enhances their attitude towards their colleagues but also enhances job satisfaction and affective commitment (Bulut & Culha, 2010:313).

The role of the supervisor's support for training is so vital, that findings from the study conducted by Ahmad and Bakar (2003:180), established that perceived supervisor's support for training predicted 54% of the respondent's affective commitment; however, no relationship was established with continuance commitment. This partially corroborates findings from a prior study by Bartlett (2001:345) which shows that supervisor support for training has a positive significant relationship with both affective and continuance commitment.

Newman *et al.,* (2009:10) stipulate that these findings illustrate the significant potential benefits that an organisation can achieve in terms of a committed workforce if training and development activities are encouraged by supervisors and managers. Aside from the supervisor support for training, another source capable of enhancing employee performance by supporting employee training within the organisation is co-workers.

3.3.3 Perceived Co-Worker Support for Training (PCWST)

Research examining the impact of relationships between co-workers on organisational performance has received very little attention (Wang, 2008). However, Shah and Jehn (cited in Newman *et al.,* 2009:10) state that co-worker support for training may have important performance-related outcomes. Prior studies have demonstrated that perceived co-worker support for training has a positive impact on affective commitment (Bartlett, 2001; Noe & Wilk, 1993).

Consequently employee perceptions on availability of training, supervisor support for training and co-worker support for training have been demonstrated to enhance organisational commitment (Bulut & Culha, 2010:316). This is consistent with theoretical models, which stipulate that training can be linked to both human resource outcomes and organisational performance.

3.4 Impact of training on organisational performance

Both theoretical and empirical studies have shown that training can influence performance, at both organisational and individual levels. As the global economy shifts from the industrial era to one that is becoming increasingly based on knowledge (Bassi, Ludwig, McMurrer & Burren, 2002:61), employee knowledge and skills has become more important to the performance and competitiveness of an organisation (Theranou, Saks & Moore, 2007:251). This is the premise for the substantial increase witnessed in employee training among organisations. Salas and Cannon-Bowers (2001) postulate that organisations make these training investments with the expectation that it will lead to an improvement in organisational performance

According to Thang *et al.,* (2010:28), there is an increasing awareness in organisations that training has the ability to enhance organisational performance in terms of productivity, increased sales, market share and a reduction in labour turnover, absenteeism and conflict. Despite this awareness, organisations are sometimes reluctant to train and this could be due to a lack of evidence of the value training has created for the organisation (Caudron, 2002). However Bassi *et al.,*

(2002:64) argue that investment in training may require some time to translate into productivity gains, as it might take time for employees to respond to the new skills acquired. This was corroborated in a study conducted by Bartel (1994), which investigated the relationship between training and productivity in a manufacturing firm. Findings demonstrated that training provided between 1983 and 1986 was positively related with the organisation's 1986 sales per employee.

Theoretical models developed by scholars (Guest, 1987; Thang *et al.,* 2010) have attempted to show how HR practices influence both human resource and organisational outcomes. However, some argue that training, like other HR practices does not have a direct impact on organisational performance. Thang *et al.,* (2010:31) state that training affects HR outcomes such as skills, knowledge, behaviours, attitudes and motivation of employees. Consequently, it is these HR outcomes that have a direct impact on organisational performance such as productivity, profit, increased sales and market share, reduced labour turnover, as well as absenteeism. The theoretical model is represented in figure 3.1 below.

Figure 3.1: Theoretical model for analysing training and firm performance issues
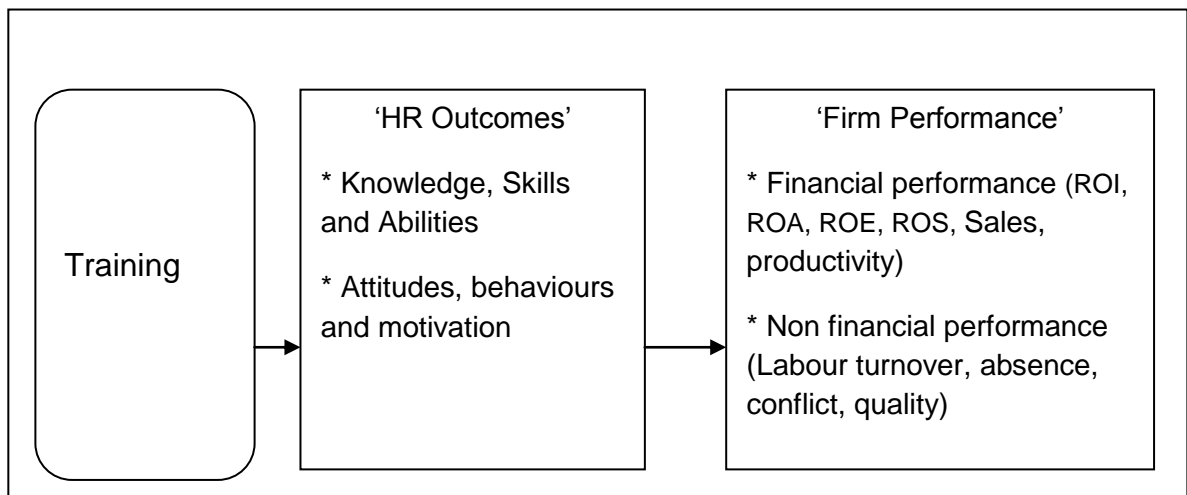
Source: (Thang *et al.,* 2010:31)

Striving to enhance HR outcomes will, accordingly, enhance organisational performance in the long run (Thang *et al.,* 2010:31). Nevertheless, some studies have attempted to establish a direct relationship between training and organisational performance. Training has also been positively linked to productivity (Zwick, 2006), business turnover growth (Jayawarna *et al.,* 2007:332) and market share (Bartel, 1994).

The difficulty with using a direct approach in establishing a relationship between training and organisational performance is that it neglects the mediating role of HR outcomes. Thang *et al.,* (2010:32) state that in order to determine the impact of training on organisational performance, it is imperative to assess both HR outcomes and firm performance to reach a consensus.

3.4.1 Impact of training on Human Resource outcomes

HR outcomes of training can be classified as including employee attitudes, employee behaviour and human capital such as skills, knowledge and competencies (Theranou *et al.,* 2007:254). Employee training is assumed to have a direct effect on the skills, knowledge, attitude and behaviour of employees, which affects their performance and, consequently, leads to enhanced performance (Thang *et al.,* 2010:31). Bartlett (2001:336) suggests that given the challenges associated with measuring performance, a more productive way would be to examine the relationship between training and desired workplace attitude, which has been found to positively relate to organisational effectiveness. Sahinidis and Bouris (2008:63) established that a significant correlation exists between training and employee attitudes such as commitment, job satisfaction and motivation. However, the behaviour which has most frequently been measured in the organisation to assess the impact of training is labour turnover or retention (Theranou *et al.,* 2007:562).

Theranou *et al.,* (2007:562) states that the majority of the studies reviewed on training have demonstrated that training is positively related to lower turnover and

higher retention. Training has also been linked positively with organisational citizenship behaviour (OCB), which leads to efficient and effective functioning of the organisation (Ahmad, 2011:2). Employees who participate in formal training are less likely to engage in neglectful behaviour and also less likely to consider leaving their employer (Pajo *et al.,* 2010:281). Organisations that train more have employees with more operational skills and competencies (Theranou *et al.,* 2007:263) as well as employees who are more committed to the organisation (Bartlett & Kang, 2004:423). This necessitates discussions for the following section, which looks at training within SMMEs.

3.5   Training in SMMEs

Literature (Patton & Marlow, 2002:260; Rogerson, 2008:71) suggests that there is a poor level of investment in training within SMMEs, therefore employees in small businesses are less likely to receive as much formal training as their counterparts in larger organisations (Kitching & Blackburn, 2002:2). In South Africa, Rogerson (2008:71) attests that studies on SMMEs confirm lack of management skills and training as one of the major causes of failure amongst SMMEs. A number of factors have been proposed as reasons for the reluctance of SMMEs to provide adequate training for their employees.

These factors affecting training have been narrowed down as demand and supply factors. Jayawarna *et al.,* (2007:322) posits that one of the factors affecting the demand for training amongst SMMEs is the lack of substantial evidence linking training to improved performance. Higher costs of training faced by SMMEs also affect their demand for training due to economies of scale; it is usually cheaper for larger organisations to procure training programmes (Storey, 2003:1).

Another factor affecting the demand for training in SMMEs is ignorance on the part of the business owners, as they are not aware of the benefits of training hence they provide inadequate training for the employees (Huang, 2001:437). Despite the significance of skills in determining the success or failure of these SMMEs, McGrath

(2005:5) states that investigations have consistently shown that SMME owners in South Africa see little need for training.

On the supply side, Kitching and Blackburn (2002:3) affirm that SMMEs may be constrained with regard to the range of formal training on offer, as training providers may be unwilling or unable to provide courses that will meet the specific needs of SMMEs. Results from a survey by Global Entrepreneurship Monitor (GEM, 2002:36) confirm that of a sample of 40 service providers offering training to SMMEs within South Africa, none of them could address the training needs of their target market.

With regard to research on training within SMMEs, there has been less focus on employee training within SMMEs (Cardon & Stevens, 2004:308). The majority of the studies in this field are focused primarily or exclusively on the perspective of the owner or managers of the business (Devins *et al.*, 2004:449). This poses a challenge as the benefits or otherwise of training to SMME employees is rarely considered - consequently creating a gap in literature. However, a number of studies on SMME training have tried to establish relationships between training and the performance of the business (Huang, 2001; Jayawarna *et al.,* 2007; Patton *et al.,* 2000). Reviews have shown that findings from such studies are inconclusive and inconsistent (Patton *et al.,* 2000:13; Storey, 2004:112). Reasons provided for such inconsistencies in findings include: the possibility that there is no causal relationship between training and small business performance; methodological difficulties associated with isolating and measuring the impacts of interventions on small business performance; and failure to detect variables that have the ability to impact on the training and performance relationship (Patton *et al.,* 2000:13).

For these reasons employee training within SMMEs can be described as inadequate. The next section presents discussions on training within small hotels which is the area of focus for this study.

3.5.1 Training in small hotels

The predominance of small businesses is a defining feature of the hotel sector (Nolan, 2002:88) but in spite this observation, most of the studies in this sector are focused on the large organisations within the sector. Morrison and Thomas (1999:148) affirm that those involved in research within the hospitality industry have ignored small businesses, treating them as scaled-down versions of the larger businesses.

This predisposition towards large businesses is particularly so in the area of employee management in the hotel sector (Nolan, 2002:88). This might be as a result of the size of these establishments but as Maher and Stafford (2000) argues, HRM issues are vital for every organisation, irrespective of its size. Consequently, there is a huge gap with regards to literature in the area of employee training within small hotels.

Most of the training implemented in small hotels can be termed as informal on-the-job training (Nolan, 2002:93). This was also corroborated by Teixeira and Baum (2007:165), who affirmed that training is done internally during the induction of new employees when performing tasks. Sharply and Forster (2003:693) in their study (in which more than 66% of the employees interviewed felt they needed more training) also established the need for more training in hotels,.

Kerr and McDougall (1999:65) emphasised that there are certain features of small hotels that must be mentioned within the context of training - for example, the business owner or manager of the business. Training within small businesses is generally dependent on the perceptions of the business owners or managers towards training. Teixeira and Baum (2007:165) in their study of small Brazilian hotels established a lack of motivation of hotel owners to send their employees for training. Nolan (2002:95) emphasised that HR training is the area which can offer hotels the greatest source of competitive advantage but at the same time the area which needs the greatest illumination.

The need for training within small hotels cannot be over-emphasised, considering that some of the major problems confronting small hotels are skills shortages and high levels of labour turnover (Sharply & Forster, 2003:687; Teixeira & Baum, 2007:158). This is a major challenge, considering that the sector is a highly labour-intensive service sector, whose performance is based on employee service delivery, commitment and attitude (Gabriel, 1988:7). It has been established that employee training within the organisation can enhance employee commitment (Bartlett, 2001:335; Al-Emadi & Marquardt, 2007:63).

3.6   An Overview of the concept of Organisational Commitment

Organisational commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organisation" (Pool & Pool, 2007:353). Their definition of commitment highlights three characteristics of commitment: a belief and acceptance of values of the organisation, a strong willingness to put in effort for the organisation and a desire to remain with the organisation (Nijhof *et al.,* 1998:243). These three characteristics show that commitment is not just an attitude but also behaviour.

Due to the dynamic business environment, employees in modern learning organisations are increasingly expected to show motivation, initiative and effort towards organisational success. Employees are viewed as one of the most important assets of a business, especially in service-oriented organisations where organisational performance is dependent on successful service delivery by employees (Evans, Campbell & Stonehouse, 2003:71).

The success of an organisation does not depend only on the organisation's ability to utilise available human competence but also on the ability of the organisation to stimulate employee commitment towards the organisation. Employee commitment in addition to a competent work force will help ensure that an organisation remains competitive and succeed in a dynamic business environment (Nijhof *et al.,* 1998:243).

Bentein and Meyer (2004:1) are of the opinion that this interest, to a large extent, is due to the demonstrated link between commitment and turnover. Bartlett (2001:337) affirms that most of the interest in organisational commitment can be attributed to the positive impact it has on both employee behaviour and organisational outcomes. This issue in particular has received significant attention in the area of human resource management. Nehmeh (2009:5) asserts that this is due to the awareness that organisations can influence employee commitment through human resource policies and practices. For instance, it has been found that good career prospects and opportunities for further training and education can enhance commitment (Gallie & White, 1993). However, there seems to be no consensus on the relationship between level of salary and commitment (Nijhof *et al.,* 1998:244). McKenna (2005:16) proposed for the need to move from management-by-control to management-by-commitment.

Most studies on commitment have focused on organisational commitment but some have showed a distinction between organisational and task commitment (Peters & Meijer, 1995). According to Gallie and White (1993), organisational commitment can be described as an acceptance of organisational values and the willingness to stay or remain with the organisation by the employees, while task commitment refers to the effort employees put into their jobs. Nijhof *et al.*, (1998:243) combine both definitions of organisational and task commitment to define commitment as 'a sense of loyalty to and identification with the organisation, the work and the group to which one belongs'.

Due to the lack of consensus in construct definition and measure of commitment (Meyer & Allen, 1991:61), a short overview on the different approaches to the study of commitment becomes very important. The different theoretical approaches on the subject of commitment can be broadly divided into the behavioural and attitudinal approaches.

3.6.1 The Attitudinal approach

The attitudinal approach draws on contribution from various scholars, (Luthans, 1995:130; Mowday, Steers & Porter, 1982:27). They characterised organisational commitment by the following factors:

- A strong belief in and acceptance of the organisational values and goals.

- A strong desire to remain a member of a particular organisation.

- A willingness to exert considerable efforts on behalf of the organisation.

According to Meyer and Allen (1991:62), attitudinal commitment is centred on the process by which employees perceive their relationship with the organisation. They expound further that it can be viewed as the mindset with which individuals feel their personal goals and values are congruent with those of the organisation. In the area of research, the attitudinal approach is focused on the identification of antecedents that contribute to the development of commitment and the consequences of this commitment.

3.6.2 The Behavioural approach

The behavioural approach to commitment describes the process by which an individual becomes locked into the organisation and how they handle this process (Meyer & Allen, 1991:62). Another distinction between behavioural and attitudinal commitment is in the area of research: behavioural commitment is focused on identifying conditions under which certain behaviours once displayed are repeated as well as the impact of such behaviour on attitude change.

Terms such as 'side bets' and 'investments' have been used to describe some types of commitment behaviour in the work context. According to Sowmya and Panchanatam (2011:20) Becker's side bet theory is based on the assumption that committed employees are committed because they have, to some extent, hidden investment or 'side bets' they have made by remaining with the organisation. Thus

Becker's Side Bet Theory is based on the cost an employee associates with leaving the organisation. Brum (2007:3) illustrates further that employees with high cost engage in certain behaviour not necessarily because it is the right thing to do, but because of the perceived benefit they hope to derive or cost they hope to minimise.

A limitation of this approach, as Roodst (2004) argued, is its inability to distinguish between antecedents and consequences of commitment itself - given the fact that behaviour is multi-faceted; hence predictors of a particular behaviour can also predict other behaviours. Meyer and Allen (1991) have attempted to integrate the attitudinal and behavioural perspectives of organisational commitment; they proposed a three component model.

3.7   Three-Component model of commitment

Organisational commitment has been classified by various scholars but the most widely adopted model is the three-component model developed by Allen and Meyer (Colakoglu *et al.,* 2010:129; Newman *et al.,* 2009:5). Allen and Meyer (1990:1) identified three components of organisational commitment namely, affective commitment, continuance commitment and normative commitment. These three components of commitment are distinguishable components rather than detached parts of organisational commitment (Bentein and Meyer, 2004:4).

Allen and Meyer (1996:252) affirm that organisational commitment is a multidimensional construct. Since organisational commitment is a multidimensional construct, an employee can demonstrate different levels of commitment on all given three components at any given time (Bentein and Meyer 2004:1). A possible implication of this is the differential outcomes in terms of employee behaviours and reactions to their levels of commitment (McKenna, 2005:17). Figure 3.2 below shows the three-component model, illustrating the antecedent and consequences of each component of affective, continuance and normative organisational commitment.

Figure 3.2 Three-component model of Organisational Commitment
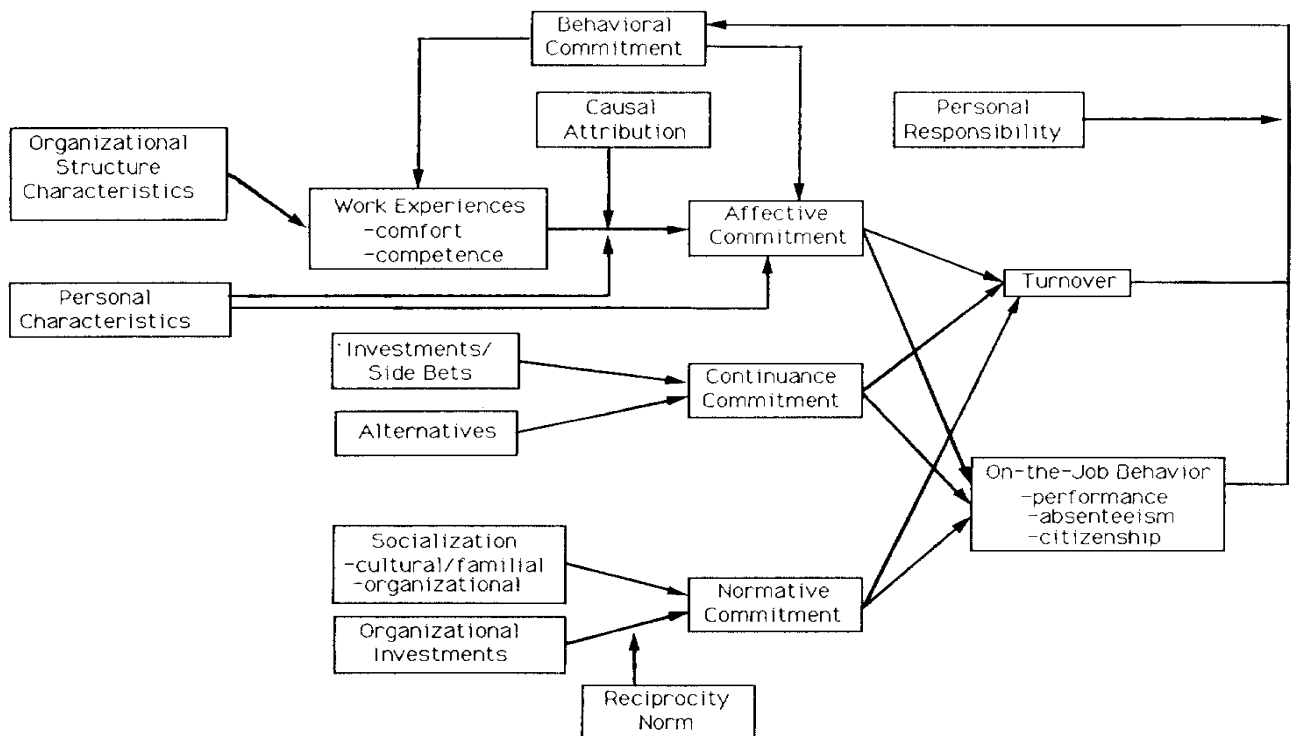
Source: Meyer and Allen (1991:68)

3.7.1 Affective Commitment (AC)

According to Allen and Meyer (1990:1), affective commitment refers to an employee's identification with, emotional attachment to and involvement with an organisation. Employees with high levels of affective commitment stay with an organisation because of the strong emotional attachment they have towards an organisation

(Newman *et al.*, 2009:5), and a desire to remain with the organisation (McKenna, 2005:16).

Employees with a high level of affective commitment are believed to have a high sense of belonging and identification with the organisation as this enhances their involvement in a variety of organisational activities. These include a willingness to pursue organisational goals and a desire to remain in the organisation (Rhoades, Eisenberger & Armeli, 2001:825).

With regard to the antecedents of affective commitment, Meyer and Allen (1997:45) assert that work-related experiences such as organisational rewards and supervisor support have been shown to have a more positive relationship with affective commitment than structural characteristics of the organisation such as decentralisation or personal characteristics of the employee. Hence, work experiences that are able to meet employee's expectations will enhance the development of affective commitment of employee towards the organisation (Stallworth, 2004:946).

Nijhof *et al.,* (1998:243) states that the antecedents of affective commitment can be classified into four categories which include: personal characteristics, job characteristics, structural characteristics and work experiences. Personal characteristics are believed to play a minimal role in determining affective commitment, thus their relationship is neither strong nor consistent (Mottaz cited in Meyer & Allen, 1991:69).

Personal characteristics that are more often studied are age and level of education and findings show that commitment will be higher in younger than older employees (Nijhof *et al.,* 1998:243). This is because younger employees are more motivated to start a career and more able to cope with change. However, personal disposition such as employee's need for achievement, affiliation and autonomy, personal work ethic and central life interest in work has been shown to have a moderate relationship with commitment. Meyer and Allen (1991:70) state that these relationships imply that

employees might differ with regard to their inclination to be affectively committed to the organisation.

Decentralisation and participation in decision making are the most important organisational characteristics that can influence commitment (Nijhof *et al.,* 1998:244). Commitment is more likely to increase in a flatter organisation where coordination and control are based on shared goals and where employee participation is encouraged. Another important organisational characteristic is the style of leadership: in their study, Peters and Meijer (1995) found a correlation between social support of the leader and commitment.

There is also evidence that organisational policies are related to affective commitment: policies such as human resource policies can provide good career prospects and opportunities for further training and education (Nijhof *et al.,* 1998:244). Work experience can be divided into two categories: they include those that contribute to employees' physical and psychological needs to enable them feel comfortable in the organisation and those that contribute to employees' feeling of competence in their work role (Joiner & Bakalis, 2006:230).

Employees' desire to remain with an organisation will depend on their work experiences: employees will remain with an organisation if the organisation has provided them with a positive work experience (Meyer & Allen, 1991:64). Such experiences according to Sturges, Conway, guest & Liefooghe (2005:824) include organisational support, provision of developmental opportunities and fair treatment.

Once an employee has developed affective commitment, it is implied that this would influence employee behaviour. The outcome of such behavioural change is that an employee puts in more effort and contributes to the organisational goals. It is believed that employees with high level of affective commitment will act in the best interest of the organisation, even in unforeseen situations.

3.7.2 Continuance Commitment (CC)

Continuance commitment refers to the perceived cost associated with leaving the organisation (Allen and Meyer, 1990:1). This cost, according to Curtis and Wright (2001) may be two-fold, one being the personal sacrifices associated with leaving an organisation and the other, a lack of alternatives available to the employee. Personal sacrifices may include the loss of benefits or status within the organisation (Allen and Meyer, 1990:3). Hence, employees with strong continuance commitment remain with an organisation out of self-interest (Newman *et al.,* 2009:5) and because the cost associated with leaving the organisation may be deemed to be too high (Mckenna, 2005:16).

Continuance commitment entails an awareness of personal investments made by employees, such as working relationships built with co-workers, career investments, retirement investments, acquired job skills and years of service. Stallworth (2004:946) suggests that the level of continuance commitment is also enhanced by a perceived lack of alternatives which increases the cost of leaving the organisation. Therefore, employees with high levels of continuance commitment will remain with an organisation because they need to (Falkenburg & Scyns, 2007:709).

Potential cost associated with leaving the organisation may accumulate over time without the employee being aware of this, according to Lumley, Coetzee, Tladinyane and Ferreira (2011:106) employee continuance commitment is built overtime. When an employee's skills are becoming less marketable outside the organisation, the employee may develop continuance commitment because continued employment with the organisation becomes a necessity. Therefore, the tendency is that employees may develop higher levels of continuance commitment over time.

Meyer and Allen (1991:71) affirm that the link between commitment and on-the-job behaviour is likely dependent on the implications of that behaviour for employment. An employee whose relationship with the organisation is based on a high level of continuance commitment will put forth a considerable effort on behalf of the organisation if they believe that continued employment requires such performance.

3.7.3 Normative Commitment (NC)

The third component of organisational commitment is the normative commitment, which refers to an employee's feelings of obligation to remain with the organisation (Allen & Meyer, 1990:1). Meyer and Allen (1996:263) stipulate that this moral obligation may arise through the general organisational socialisation processes. Newman et al., (2009:5) assert that normative commitment is dependent on prior attitudes and values of employees before joining the organisation.

Allen and Meyer (1990:14) emphasised the importance of differentiating the components of commitment both in research and practice, as the use of the term 'commitment' to describe very different constructs has led to considerable confusion in literature. They state that employees with strong affective commitment remain with an organisation because they want to; those with strong continuance commitment remain because they need to and those with strong normative commitment remain because they feel obliged to.

Meyer and Allen (1991:67) have used the three-component model to elucidate the multi-faceted nature of organisational behaviour. Affective commitment is stated as being the most effective measurement of organisational behaviour amongst the three. All three components of organisational commitment are negatively related to turnover intention with continuance commitment having the strongest negative relationship with turnover.

However, other studies (Meyer & Smith, 2000; Allen & Meyer, 1996:261) have established a direct association between effective and normative commitment. It has also been found that there is a high level of overlapping factors that determine, as well as predict, outcomes of both types of organisational commitment (Ahmad *et al.,* 2010:586). Based on this argument and others stated in Chapter One, this study will focus only on affective and continuance commitments.

Bentein and Meyer (2004) posit that employees' affective and normative commitment towards the organisation decreases over time but that continuance commitment

remains constant. According to Mckenna (2005:17), identifying where an employee's commitment is focused can help determine the type of commitment an employee feels because it is possible for employees to feel committed to different factors such as a project, the team, the supervisor and the customers. Equally important are the antecedents of organisational commitment, such as employee training which has been linked to organisational commitment.

3.8   Relationship between training and Organisational Commitment

Bulut and Culha (2010:309) posit that training is one of the most important investments an organisation can make because it enhances the skills, knowledge, attitude and behaviour of the employee, thereby enhancing the human capital of the organisation. This consequently impacts on organisational productivity and performance. However, according to Newman *et al.,* (2009:6) previous studies have reported difficulties in establishing the relationship between training and organisational performance. Bartlett (2001:336) suggest that this might be as a result of difficulty in developing an effective measure for organisational performance and therefore proposes that a more productive way would be to examine the relationship between training and desired workplace attitude and behaviour.

Organisational commitment is increasingly becoming an important variable in explaining work-related behaviour and its impact on performance. Committed employees are less likely to leave their jobs and more likely to perform well. Higher levels of commitment have also been demonstrated to have stronger positive relationships with attendance and effort exerted on the job (Ahmad and Bakar, 2003:167-168). Therefore, in order to judge the effectiveness of training, its relationship to organisational commitment should be examined directly (Newman *et al.,* 2009:6).

Ahmad and Bakar (2003:167) contend that the relationship between training and organisational commitment has received very little attention outside Western

countries. This is one of the underlying premises for this study. According to Bartlett (2001:338), previous studies have illustrated positive outcomes (such as reduced turnover, reduced absenteeism and enhanced employee performance) from the investigations on the relationships between employee training and organisational commitment.

These findings are consistent with the psychological contract, a relationship embedded in the social exchange theory. The psychological contract defines an employee's belief about their employment relationship, and guides the individual's belief on what they perceive they are entitled to receive from their employer (Rousseau 1989). The psychological contract acts as an important determinant of organisational behaviour. In view of this, Malhotra, Budhar & Prowse (2007:2095) stipulate that fulfilment of the psychological contract enhances an employee's commitment to the organisation.

Several studies have shown a positive relationship between training and organisational commitment - such as Bartlett (2001:335) who maintains that there is a positive relationship between employees' perceived attitude towards training and organisational commitment. This was substantiated in a study of US Navy recruits, where it was demonstrated that organisational commitment increased following participation in training. Similarly, according to Sahinidis and Bouris (2008:73), there is a positive relationship between employee perceived training effectiveness and organisational commitment. Al-Emadi and Marquardt (2007:63) also established that employee personal and career benefits of training are significantly related to organisational commitment.

On the other hand Benson (2006:335) found that the relationship between training and organisational commitment is based on the type of training implemented. Benson (2006) argues that employees who participate in on-the-job training gain specific skills and become more committed to the organisation but on the contrary, employees that participate in college courses gain more general skills and become less committed. Organisational commitment is increasingly being considered as an

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important variable in the explanation of employee work related behaviour due to its impact on performance.

However, building and maintaining commitment has been shown to be dependent on a reciprocal relationship between the organisation and the employee (Sturges *et al.,* 2005:821). Brum (2007:4) affirms that the principle behind this reciprocity is that the employees will help the organisation because the organisation has helped them. This happens to be the underlying premise behind the social exchange theory.

3.8.1 Social exchange theory

The social exchange theory is based on the premise that social relationship involves exchanges of two types of resources: economic resources, which include money or material resources; and social resources, which include love, respect and support (Conway & Briner, 2005:56). According to the social exchange theory, individuals enter into a relationship with an organisation with a view of maximising the benefits they derive from the relationship (Blau, 1964). Social exchange predicts that an employee will pay in kind what it receives from the organisation (Conway & Briner, 2005:57).

The idea that individuals should reciprocate is central to the social exchange theory which is based on Gouldner's idea (cited in Conway & Briner, 2005:57), and stipulates that a social norm for reciprocity exist so that people should help those who have helped them and people should not hurt those who have helped them. The reciprocity norm is crucial to social exchanges as it determines and maintains the ongoing fulfilment of obligations and relationships as a whole. Social exchange is based on an inherent agreement between the employee and the employer, referred to as the psychological contract.

3.8.2 Psychological contracts

Building upon previous works, Schein (1965:11) affirms that in a psychological contract the individual has a variety of expectations of the organisation, and the organisation also has a variety of expectations from the individual. This explanation

highlights the mutuality of expectations between the two parties in the exchange relationship.

Schein (cited in McDonald & Makin, 2000:84) defines psychological contract as an 'unwritten set of expectations' between employers and employees. Rousseau (1989:23) has argued further that psychological contract entails much more than expectations based on his definition of psychological contract as 'an individual's beliefs regarding the terms and conditions of reciprocal exchange agreement between the focal person and another party'. Robinson and Rousseau (1994:246) suggest that it involves 'promissory and reciprocal obligations' that are not included in the formal employment contract.

According to Conway and Briner (2005:57), one of the most important reasons in the context of understanding the psychological contract is that, when individuals receive benefits they feel indebted and obliged to pay back. However since psychological contracts are perceptual, unwritten, and might not be shared by the others involved in the exchange, employees and employers might have different views on the content of the psychological contract and the degree of fulfilment of obligation of these exchanges (Coyle-Shapiro & Kessler, 2000:905).

Based on two distinct types of employee obligations, psychological contracts can be categorised into transactional and relational contracts (Rousseau, 1989). Transactional contracts refer to monetarist exchanges over a limited period of time. They are characterised by obligations that can be considered as economic. Examples include high pay, merit pay and an employee giving prior notice before leaving the job but with no feeling of loyalty towards the organisation (McDonald & Makin, 2000:85).

Relational psychological contract in contrast refers to relational obligation which includes long term job security, career development and support with personal problems (Coyle-Shapiro & Kessler, 2000:905). It is pertinent to note that psychological contract is not exclusively transactional or relational but often a

continuum, as it usually contains both transactional and relational elements but in different amounts (Guerrero & Herrbach, 2007). The psychological contract has an important influence on the relationship between the employer and employee. Even though this influence may not be apparent like other contracts due to its nature, it often has an important influence on behaviour (McDonald & Makin, 2000:95).

3.8.3 Organisational Commitment and psychological contract

Research has established a link between psychological contract and an employee's commitment to the organisation, as fulfilment of employer obligations will be reciprocated by employees' commitment to the organisation, while a perceived breach makes an employee less likely to be committed (Malhotra et al., 2007:2095). A significant effect of psychological contract occurs when there is a perceived breach in contract as this elicits a change in the nature of the contract.

This change involves a move away from the relational end to the transactional end of the continuum.   Employees with predominantly transactional psychological contract are less likely to be committed to the organisation, while those with relational contracts on the other hand show higher levels of commitment to the organisation (McDonald & Makin, 2000:85-86). Those with predominantly transactional contract will only put in what they feel they will get out and the personal commitment and trust which is a feature of the relational contract will be absent. This may have negative consequences on the organisation, as relational contract has been positively linked to affective commitment and affective commitment has been shown to have a positive relationship with performance (Coyle-Shapiro & Kessler, 2000:909).

Based on findings from their study, Coyle-Shapiro and Kessler (2000:918) state that fulfilment of psychological contract (training obligations) has a significant effect on organisational commitment. Most of the employees who had experienced a breach in psychological contract towards them, were redressing the balance in the relationship by reducing their level of commitment towards the organisation.

However, due to the different components of organisational commitment, psychological contract may have different effects on the different components of organisational commitment. The three components of organisational commitment are not just influenced by different factors but also have different outcomes. Affective commitment is concerned with the relational obligations of the psychological contract and its main antecedents are the extent to which employee expectations are met by the organisation or the psychological contract has been met (McDonald & Makin, 2000:86-87).

According to Aggarwal, Datta and Bhargava (2007:320), due to the constantly changing economic circumstances, employees are now replacing job security with the promise of developing skills which will make them more employable. Accordingly, training and development has a become an integral part of the psychological contract, not just for the employees whereby it acts as an inducement for maintaining their commitment to their organisation, but also for the employers (Aggarwal *et al.,* 2007:320).

Organisational commitment is an employee attitude that is highly regarded by employers as committed employees are less likely to leave the organisation (Perryer *et al.,* 2010:911). Sturges *et al.,* (2005:825) affirms that a breach in an employee's psychological contract is linked to a reduction in commitment which consecutively is associated with turnover intention.

3.9   Turnover Intentions as planned behaviour

The Theory of Planned Behaviour (TPB) is based on the assumption that self-reported plans or intentions are the best predictors of behaviour (Van Breukelen, Van der Vlist & Steensma, 2004:893). The TPB is designed to predict human behaviour in a specific context (Ajzen, 1991:181).

The underlying premise in TPB is the individual's intention to perform a given behaviour. According to Ajzen (1991:181), intentions are assumed to capture motivational factors that influence behaviour. That is, they are indications of how

much effort people are willing to exert in order to perform the behaviour, hence the stronger the intention, the higher the chances of performance.

In the study of employee turnover, several studies (Van Breukelen *et al.,* 2004; Shields & Ward, 2001; Steel & Ovalle, 1984) have used turnover intentions as the most accurate predictor of actual turnover. Findings have demonstrated that turnover intention is consistently correlated with turnover.

3.9.1 Antecedents and consequences of employee turnover

Employee skills and knowledge are vital factors for an organisation's performance and competitiveness. Hence, employee retention is very important for the functioning and competitiveness of an organisation (Kyndt, Dochy, Michielsen & Moeyaert, 2009:195). Theoretical and empirical literature have also shown that employee contributions to the organisation are intangible and cannot be easily duplicated, therefore skilled employees are the only source of sustained competitive advantage (Perryer *et al.,* 2010:911). It is therefore vital for organisations to minimise employee turnover as this constitutes a critical problem to the organisation in terms of loss of talent and other costs associated with employing and training new employees (Anvari *et al.,* 2010:3391). Literature has consistently demonstrated that turnover intention is the most significant antecedent for actual turnover (Fox & Fallon, 2003:3). This was corroborated in the empirical study by Shields & Ward, (2001:692) which showed that 79% of nurses who reported their intention to leave, actually left their jobs within a year. More attention should therefore be paid to variables that have the potential to directly and indirectly influence employees' turnover intentions (Lambert, Hogan and Barton, 2001:236). An employee's turnover intention should actually be more beneficial information to the employer than actual rates of turnover in an organisation. If the antecedents to turnover intentions are better understood, it provides the employers an opportunity to institute changes that can influence turnover intentions.

Although several studies have been conducted to investigate the antecedents of turnover intentions, Ongori (2007:50) has argued that their findings are inconsistent.

For instance, the relationship between age and turnover intention have been studied and results have not been consistent. Martin and Roodt (2008:29) in their study established that employee turnover intention decreased with age, while in the study by Carbery *et al.,* (2003:672) no significant relationship was found between age and turnover intentions. Level of educational attainment is another factor which has been studied as a possible antecedent of turnover intentions. Similarly, the results have not been consistent. Benson (2006:185) established that turnover intentions were higher with employees who attained higher level of development, such as college degrees, than employees who participated in informal on-the-job training. However, in another study, hotel managers with higher level of education did not show higher level of turnover intentions (Carbery *et al.,* 2003:672).

It could be argued that perhaps psychological dimensions of employment relationship are more salient in explaining turnover intentions (Carbery *et al.,* 2003:671). Breach of psychological contract has also been established as influencing employee turnover intentions (Sturges e*t al.,* 2005:835).   Carbery *et al.* (2009:673) attest that organisational commitment appears to be a significant variable in explaining turnover intention. Job satisfaction has also been linked to having a significant relationship with turnover intentions (Martin & Roodt, 2008:28).

Whatever the antecedents, employee turnover can have negative impact on the organisation. Employee turnover represents an exodus of human capital from the organisation and the subsequent replacement process presents different cost implications for the organisation (Ongori, 2007:51). Cost of a replacement involves scouting the labour market for a possible replacement, selecting from a pool of applicants, induction, and providing both formal and informal training for the new recruits. This takes financial, human and time resources to achieve. Ongori (2007:51) affirms that in addition to these replacement costs, output is affected to some extent or output can be maintained at the cost of paying overtime.

Employee turnover also leads to loss of human capital and corporate knowledge (Davidson *et al.,* 2010:458) and for every time an employee leaves an organisation,

there is the possibility that besides the loss of human capital, a competitor may be gaining these 'assets' (Stovel & Bontis 2002:304).   Therefore, if a high turnover rate is not properly managed, it may have a negative impact on the organisation as its cost implications have substantial impact on the operating cost, as well as profitability of the business (Davidson *et al.,* 2010:451).

3.10   Conclusions

This chapter provided an introductory and explanatory discourse on the different variables under investigation. It also explored the possible relationships and linkages between the research variables of employee perceptions of training, organisational commitment and turnover intentions.

Based on the assumption that organisations that give priority to employee training will be better placed to succeed than others over time, the concept of training has received more attention in recent times. Training is shown not just as an activity for influencing skills and knowledge but also as a tool used by management to modify employee attitudes and behaviour to conform to organisational goals and job requirements. Employee perception of training was operationalised through three sub-variables of perceived availability of training, perceived supervisor support for training and perceived co-workers' support for training. A perceived availability of all three sub-variables was shown to have significant relationship with organisational commitment. Evidence points to minimal employee training within SMMEs.

With regard to organisational commitment, the attitudinal and behavioural approach to the study of commitment was briefly outlined. However, emphasis was laid on the three-component model which is an integration of both the attitudinal and behavioural perspectives of commitment. The three-model component consists of affective, normative and continuance commitment, with affective commitment being the most effective measurement of organisational behaviour. However, due to overlapping factors in determining and predicting outcomes of both affective and normative

commitment, this study focused on only the affective and continuance commitment, with committed employees being less likely to have turnover intentions. Turnover intention was shown to be a predictor of actual turnover behaviour. Irrespective of the antecedents, turnover has both cost and operational impact on the organisation.

The relationship between the research variables was established based on a review of theoretical and empirical literature. It was demonstrated that provision of employee training increased organisational commitment and lowered turnover intentions. However this relationship to some extent was dependent on the type and extent of and support for training provided. Organisational commitment was also shown as an important predictor of organisational outcomes such as turnover. The next chapter presents a discussion on the research design and methodology employed for this study.

CHAPTER FOUR

RESEARCH PLAN AND DESIGN

4.1   Introduction

In order to address the main objective of this study, which is to investigate the relationship between employee perceptions of training, organisational commitment and turnover intentions within SMMEs in the hotel sector within the Cape Metropole Area, this chapter provides an explanation of the research design and methodology employed for this study. This is done with the aim of creating a better understanding and justification for methods and approaches used and also to explain why they were deemed appropriate for this study. To achieve this aim, this chapter describes the population sample, the research instruments for data collection and analysis utilised in order to answer the research questions. The definitions and brief descriptions of the research variables are also provided, with the intent of providing a better understanding of the variables under investigation. Finally, the delimitation and scope of the study will be discussed.

4.2   Research design

A research design can be described as the research plan on how the study is to be conducted (Mouton, 2001:55). A good research design should follow a logical process (Yin, 2003:21), linking the research questions to data collection and interpretation of results so as to answer the research questions as explicitly as possible. A research plan should be selected based on its ability to gather data that is appropriate for answering the research questions under investigation.

In order to address the research questions, this study adopts a quantitative descriptive research design – by way of survey, to examine demographic and other research variables. This is in line with Henn, Weinstein and Foard's (2006:126-127) assertion that quantitative surveys are appropriate for examining the relationships between two or more variables. Therefore, since this study examines the

relationships between employee perceptions, organisational commitment and turnover intentions, the survey approach was deemed appropriate. Surveys are also ideal for collecting data on individual behaviours and attitudes.

The characteristics of this design, according to (Mouton, 2001:152) are as follows:

- It is quantitative in nature.

- It is based on primary data.

- Data is gathered through structured questionnaires.

- Data is analysed by means of tabulations and correlation analysis.

The strength of this design depends on appropriate implementation of a sampling design and high measurement reliability and construct validity from the questionnaire, which enhances the potential to generalise findings to a large population. Limitations of this design include sampling error, questionnaire error, low response rate, data capturing error and inappropriate statistical analysis techniques (Mouton, 2001:152-153).

Figure 4.1 below depicts the steps utilised in this study, adopted from the steps in survey research as outlined by Welman and Kruger (2006:85).

Figure 4.1   Steps in survey research

```
┌─────────────────────────────────────────────────────────┐
│              Planning the survey content                 │
│                                                          │
│  Reviewing the literature and formulating questions about│
│  the problem                                             │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│                    Sampling plan                         │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│  Questionnaire construction or using validated           │
│  instruments,                                            │
│              Pilot test and administration               │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│              Arrangement for data collection             │
│              Follow up of non respondent                 │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│      Coding open-ended questions, computerising data     │
│                     Editing data                         │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│              Data analysis and report writing            │
│              Answering original questions                │
└─────────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────────┐
│        Feedback to sponsor/submitting of thesis          │
└─────────────────────────────────────────────────────────┘
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Source: Welman and Kruger, 2006:85

4.2.1   Research questions

The main objective of this study is to investigate the relationships between the research variables of: employee perceptions of training, organisational commitment and turnover intentions amongst employees of selected SMME hotels in the Cape

Metropole Area of the Western Province of South Africa. Employee perceptions of training are measured by three sub-variables (perceived availability of training, perceived supervisor support for training and perceived co-worker support for training). To this end, the following questions were investigated:

1. 1What are the employee perceptions of training within SMMEs in the hotel sector in the Cape Metropole Area?

2. What is the relationship between employee perceptions of training and organisational commitment within SMMEs in the hotel sector in the Cape Metropole Area?

- What is the relationship between perceived availability of training and affective commitment?

- What is the relationship between perceived availability of training and continuance commitment?

- What is the relationship between perceived supervisor support for training and affective commitment?

- What is the relationship between perceived supervisor support for training and continuance commitment?

- What is the relationship between perceived co-worker support for training and affective commitment?

- What is the relationship between perceived co-worker support for training and continuance commitment?

3. What is the relationship between affective commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area?

4. What is the relationship between continuance commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area?

4.3 Research variables

In order to answer these questions, a number of validated instruments used in previous studies (Allen & Meyer, 1996; Farh, Tsui, Xin and Cheng, 1998 and Newman *et al.,* 2009) were utilised in measuring the following research variables: employee perceptions of training, organisational commitment and turnover intentions. The following section presents definitions and an overview of each of the research variables.

4.3.1 Employee Perceptions of Training (EPT)

For the purpose of this study, 'employee perceptions of training' is the independent variable, and is divided into three sub-variables. The operational definitions utilised for all three sub-variables were selected on the basis that they had been used in similar prior studies, although within different contexts. Newman *et al.,* (2009) examined employees' perceptions of training in multinational organisations in China, while Bartlett (2001) did a similar study on nurses within the UK.

1. Perceived availability of training: 'refers to the extent to which employees feel they are able to access training opportunities' (Newman *et al.,* 2009:8). This definition also underlies the research instrument employed for this study which was developed by Newman *et al.,* (2009).

2. Perceived supervisor support for training: is described as the extent to which employees feel they have support from supervisors to participate in training and apply learnt skills on the job (Newman *et al.,* 2009:10).

3. Perceived co-worker support for training: 'refers to the degree to which peers are willing to help their colleagues in good faith for example solving problems or implementing an improved way of working' (Bulut and Culhi, 2010:313).

This can be measured by their level of support or resistance to application of new skills and knowledge acquired through training.

4.3.2 Organisational Commitment (OC)

This study adopts the approach utilised in the three-component model developed by Meyer and Allen (1991), which is an integration of the behavioural and attitudinal approach to the study of commitment. The authors take into consideration the limitations of the behavioural and attitudinal approach and expand on the concept of commitment by describing it as a multi-dimensional construct comprising three components of affective, continuance and normative commitment. Meyer and Allen (1991:64) contend that although there are different definitions of commitment, they all appear to have three general themes: an affective attachment to the organisation, perceived cost associated with leaving the organisation and an obligation to remain with the organisation. This was the underlying premise for the three-component model of affective, continuance and normative commitment.

Employee commitment to the organisation was measured by utilising two of three components of organisational commitment proposed by Allen and Meyer (1990:1): Affective and Continuance Commitment. As discussed in chapter three, reasons for this is because prior studies have established a direct association between affective and normative commitment (Meyer & Smith, 2000); secondly, there is also a high level of overlapping factors that determine as well as predict outcomes of both types of organisational commitment (Sommer cited in Ahmad *et al.,* 2010:586). Finally, normative commitment is based on employee values which are determined by socio-cultural and prior experiences, as well as family background (Newman *et al.,* 2009:2), which is not relevant to the scope of the present work.

Affective commitment 'refers to an employee's emotional attachment to, identification with and involvement in the organisation' (Allen and Meyer, 1990:1). Continuance commitment on the other hand 'refers to commitment based on the cost that employees associated with leaving the organisation' (Allen and Meyer, 1990:1).

4.3.3 Turnover Intentions (TI)

Turnover intention takes its foundation from the Theory of Planned Behaviour (TPB), which, according to Van Breukelen *et al.,* (2004:893), posits that intentions are the greatest predictor of actual behaviour. This study adopts the definition of turnover intention as described Mobley cited in Ahmad *et al.,* (2010:586) 'as a cognitive process of thinking, planning and desiring to quit job'. This definition was found appropriate based on Ajzen's (1991:179) assertion that turnover behaviour is a multistage process comprising of attitudinal, decisional and behavioural components. The next section presents discussions on the research methodology employed for this study.

4.4   Research methodology

This quantitative descriptive approach to research is adopted in this study through the use of a structured survey questionnaire to elicit relevant information from the respondents. This is in line with Maree's (2007:145) definition of quantitative research as a systematic and objective process of investigating a research problem through the use of structured questions involving a large number of respondents. Care is taken to ensure 'the systematic, methodical and accurate execution of the design' (Babbie & Mouton, 2001:74).

The quantitative approach is deemed appropriate for use in this study for the following reasons:

I.   One of the key distinguishing factors between a quantitative and a qualitative approach is the degree of pre-conceptualisation associated with quantitative-based approach to research, usually adopting a theory first then research later approach (Henn *et al.,* 2006:117). It is therefore appropriate for this study which has a pre-determined research objective i.e., investigating the relationship between employee perceptions of training, organisational commitment and their impact on turnover intentions.

II.   Another key feature of quantitative research is that it seeks to establish relationships between the variables being studied (Henn *et al.,* 2006:117). It is

suitable here as this study seeks to investigate relationships between identified variables i.e., employee perceptions of training, organisational commitment and turnover intentions.

III.   Quantitative research also enables the use of statistical inferences in order to process data and then generalise findings according to the selected population (Maree, 2008:145). Data for this study is collected from respondents by the use of validated questionnaires.

4.4.1 Research population

The population is the object of study which may be individuals, groups or organisations (Welman & Kruger, 2000:47). The targeted population for this study comprises employees working in small hotels within the Cape Metropole Area of the Western Cape Province of South Africa. This study focused only on hotels and not other forms of tourist accommodation. Lubbe (2005:114) defines a hotel as an establishment whose main business is to provide accommodation facilities for the general public as well as providing one or more other services such as food and beverage service, room service and laundering of linen.

Selection of hotels to participate in this study was based on each of them qualifying as a small business. Small business is a relative concept and for the purpose of this study a hotel is termed small if it employs 50 or less full-time employees, which is consistent with the standards laid down by the National Small Business Act (National Small Business No. 102, 27 November 1996). The hotel sector employs a wide range of employees with different occupational backgrounds, however only permanent employees were targeted for the study. The number of full time employees in these hotels ranged from 7 (which was the lowest) to 48 (which was the highest). Participants in this study includes: hotel managers, accountants, receptionists, chefs, administrative officers, waiters and housekeepers.

4.4.2   Sample and sampling method

In research, sampling is undertaken because of the impossibility associated with studying the entire population, therefore a subset of a population known as a sample (Welman, Kruger & Mitchell, 2006:180), which is assumed to represent the targeted population is studied. There are two sampling techniques available to the researcher: probability and non-probability sampling.

In the absence of a sample frame (comprising only small hotels within the Cape Metropole Area) and in order to meet the criteria laid down by the National Business act for small business, non-probability judgemental sampling was deemed appropriate. Non-probabilistic sampling is conducted without the knowledge that the sample selected will be a representative of the population (Singleton & Straits, 2005:147) and is often used in the absence of a sampling frame (Henn *et al.,* 2006:132). The Cape Metropole Area has a total of 100 hotels, with the majority of almost 80% of these hotels located in Cape Town Municipality (Cornelissen, 2005:171).

Non-probability sampling was used to identify 15 SMME hotels to participate in the study but a total of only 10 consented to participate. According to Welman and Kruger (2000:63) judgemental or purposive sampling is the most important type of non-probability sampling, whereby researchers rely on their experience, judgement or previous research findings. Judgemental sampling can be utilised when one wishes to study a subset of a larger population in which many of the members of the subset are easily identified but the enumeration of them all would be nearly impossible (Babbie, 2007:184). Questionnaires were administered to 150 employees from across the selected hotels; however only 127 were completed and returned.

The shortcoming with this type of sampling is that researchers may proceed in different ways to obtain their sample. Therefore it may be impossible to evaluate the extent to which the sample represents the relevant population (Welman and Kruger, 2000:63). The next section discusses the research instrument employed in collecting

data from respondents on the variables illustrated above. It also provides discussions on the reliability and validity of the instruments.

4.5   Research instruments

As discussed in the previous chapter, the relationship between training and organisational commitment has been studied to some extent but within different contexts and in different countries. These studies have utilised similar instruments and sometimes the same instruments. (Ahmad & Bakar, 2003; Al-Emadi & Marquardt, 2007; Bartlett, 2001; Newman *et al.*, 2007). This study replicates the study by Newman et al., (2009) because it improves upon prior studies. It further explores the relationship between training and organisational commitment by determining the impact of such relationship on employee turnover intentions.

Mouton (2001:100) states that a researcher has an option of either using an existing instrument or constructing a new one. Since this study is a replicated study of Newman *et al.,* (2009), the study adopts the use of validated instruments for measuring the research variables of employee perceptions of training, organisational commitment and turnover intentions. The benefit of using an existing instrument is that it is cost effective and saves time, and also presents an opportunity to determine if the instrument can yield similar results to prior studies. McBurney and White (2007:238) points out that it also provides the researcher the opportunity of comparing their results with those from previous studies.

The questionnaire was used as a tool for gathering data in this study. As pointed out by Sekaran (2003:233), questionnaires can be an efficient mechanism for collecting data when the researcher knows how to measure the variables under investigation. Please find questionnaire attached as an annexure.

4.5.1 Organisational Commitment Questionnaire

The organisational commitment questionnaire was developed by Meyer and Allen (1996) to measure the three components of affective, normative and continuance commitment. As discussed in previous chapters, only two of the three components are adopted for this study, hence only measures for affective and continuance

commitment will be utilised for this study. A four-item scale for affective commitment and another four-item scale for continuance commitment utilised by Newman *et al.,* (2009) was used for this study. The questionnaire was selected based on the following:

- Used in prior study by Newman *et al.*, (2009).

- Its ability to measure commitment as a multidimensional construct;

- Its predictive approach of turnover intentions; and

- Ability to determine whether the scale's properties would remain stable in a cross-cultural setting when applied in SMME hotels within the Cape Metropole Area of Cape Town in the Western Province of South Africa.

The reliability of the questionnaire can be gauged by how it has been utilised in other studies successfully. The following reliable Cronbach Alpha values for affective and continuance have been reported from prior studies; 0.77 and 0.67 (Al-Emadi & Marquardt, 2007:58); 0.81 and 0.78 (Karim & Mohammed, 2006:97) and 0.88 and 0.84 (Newman *et al.,* 2009). According to Hair *et al.,* (2006) the generally agreed limit for the Cronbach Alpha is 0.70

4.5.2 Perceived Availability of Training (PAT)

This five-item instrument was developed by Newman *et al.,* (2009) to measure employee perceptions of availability of training. The questionnaire was developed based on the assumption that employees that have access to training are more likely to be committed and less likely to quit their job, which is consistent with the social exchange theory. The questionnaire measures specific constructs of training for both existing and new employees within the organisation, which is particularly useful to this study as it focuses on SMME hotels. This will help to shed more light on the assumption that training in small hotels is usually only at the point of entry into the organisation.

Although the reliability of this instrument is relatively unknown, Newman *et al.,* (2009) reported a 0.93 alpha Cronbach coefficient. One additional item was developed from one of the original five items by the school statistician as the original item was deemed loaded "My organisation provides employees with good opportunities to learn general skills and knowledge inside the organisation which may be of use to me in my future career". This item was therefore split into two items. As a result of this, a total of six items were utilised for measuring perceived availability of training.

4.5.3 Perceived Supervisor Support for Training (PSST)

This instrument was developed by Noe and Wilk (1993) to predict participation in training activities and to measure perceived senior colleagues' support for training. It was developed on the premise of social support, which is based on the assumption that social support comes from three sources: family and friends, work colleagues and immediate supervisors that provide support. Therefore, supervisor support for training should enhance participation in training.

Newman *et al.,* (2009) in their study on multinational companies operating in China employed this instrument in obtaining data on employees' perceptions of their supervisor's support for training. Similarly, Bartlett (2001) utilised this instrument among a sample of registered nurses operating in the health sector. The instrument has been reported as reliable, reporting Cronbach Alpha coefficient of 0.95 (Newman *et al.,* 2009:14) and 0.96 (Bartlett, 2001:343). Reliability analyses were carried out to ascertain the reliability of the instrument for this study.

Eight items utilised by Newman *et al.,* (2009) were used, and an additional item was created from one of the eight items by the school statistician as the original item was deemed loaded. The loaded item was "My manager believes advising and training is one of his/her major job performance" was split into two items hence a nine-item scale was used to measure perceived supervisor support for training.

4.5.4 Perceived Co-Worker Support for Training (PCWST)

This instrument was developed by Neo and Wilk (1993) to measure perceived co-worker support for training. The instrument draws credence from the social support approach. Social support has been shown to enhance employee commitment (Bartlett, 2001). Employees are more likely to place greater value on training respected and supported by fellow colleagues. A two-item scale utilised by Newman *et al.,* (2009) was used for this study. Reliable Cronbach Alpha coefficient of 0.83 (Newman *et al.,* 2009:14) has been reported for this instrument.

4.5.5 Turnover Intentions (TI)

Turnover intentions were measured in this study by the four-item scale instrument developed by Farh, Tsui, Xin and Cheng (1998). The instrument measures 'intent' to leave and as discussed previously intention is the greatest predictor of actual behaviour. This is consistent with the theory of planned behaviour. The motivation for using this instrument is in its ability to measure turnover intentions from diverse facets, which will be able to capture employees' turnover intentions on a broader perspective. Acceptable levels of reliability have been reported from the use of this instrument, a Cronbach Alpha coefficient of 0.91 (Newman *et al.,* 2009:13) and 0.80 (Farh *et al.,* 1998:476).

4.6   Data collection

Data was collected through the use of self-administered questionnaires. In this study, copies of the questionnaire were administered to 150 respondents. In order to minimise data loss, copies of this questionnaire were handed directly to the focal person for each hotel, who was responsible for distributing and collecting questionnaires from respondents. A two-weeks data completion period was offered to participants, with periodic follow-ups through telephone reminders and physical visits to respondents.

4.6.1 Questionnaire structure

The questionnaire used in this study contained a formal list of statements designed with the aim of gathering information on behaviour, opinion and attitudes of respondents with regards to the topic under study. A major advantage of using a questionnaire is that a lot of data can be collected within a short period of time, relatively cheaply, and all respondents answer the same questions which makes analysis of data easier.

The disadvantage however, is that the questions might not be understood by all and it has been argued that information acquired through questionnaires has the tendency to be fairly superficial (Kiley & Coetzee, 2007:171).

The questionnaire as the data collection instrument was divided into two sections.

Section one contained statements on the three variables being investigated in this study, namely turnover intentions, organisational commitment and employee perceptions of training. Closed-ended statements followed by Likert scale were used to measure each respondent's level of agreement with or against the statements. The Likert scale is the most commonly used scale for measuring attitudes or perceptions in quantitative data collection (Henn et al., 2006:138-138).

Turnover Intentions: Questions 1-4 were used to test respondents' intentions to remain or leave their organisation.

Organisational Commitment: Questions 5-12 were used to test the two dimensions of organisational commitment under investigation in this study namely, affective and continuance commitment. Questions 5-8 were used to test respondents' affective dimension of organisational commitment, whilst questions 9-12 tested respondents' continuance dimension of organisational commitment.

Perceptions of Training: Questions 13-29 were used to test all sub-variables of employee perception of training. Perceived availability of training was tested by questions 13-18; co-worker support for training was tested by questions 19–20, while questions 21-29 were used to test supervisor's support for training.

Section two was made up of demographic Information. This incorporated details of respondents' age, gender, length of tenure and educational qualification.

4.6.2 Pilot study

A pilot study is a significant part of the quantitative research process (Yin, 2003:79). Carrying out a pilot study on a limited number of respondents from the research sample provides a number of benefits such as: aiding in detecting flaws in the measurement procedures, helping to identify ambiguously formulated items and also allowing the researcher to notice some non-verbal behaviour (Welman & Kruger, 2000:146). This helps the researcher to make improvements where necessary.

A pilot study was undertaken on completion of the first draft of the questionnaire. The questionnaire was administered to 7 employees chosen from among the selected hotels and approached to participate in this study. The aim was to check the clarity and validity of the questions. Based on the responses received, minor amendments were made to the demographical information section on the piloted questionnaire before it was administered to the larger research sample.

4.7 Data analysis

Quantitative data obtained through the use of a survey questionnaire was analysed by using the SPSS software programme, which is used for analysing data concerned with social phenomena. The questionnaire was coded in order to allow for analysis of data and then captured within SPSS. The software was used to generate various statistics, including descriptive statistics, which provides a basic summary of all variables in the data (Henn *et al.,* 2006:205).

The benefits of using SPSS is that it allows for scoring and analysing quantitative data at speed and it can also be used to perform multivariate analysis. Its use is therefore very relevant to this study which basically seeks to investigate the relationships between the variables already identified. SPSS also helps to present the data in a logical format (Babbie, 2004:398) thereby reducing time spent on calculating scores. However, accuracy in results is highly dependent on inputs, hence the need to accurately capture data from the questionnaire.

The next section describes how data gathered through the questionnaires was analysed using statistical analysis on SPSS (Version 19.0).

4.7.1 Statistical analysis

The statistical analysis employed for this study was selected based upon a logical thought process for addressing the research questions. The statistical analysis consists of three phases and all analyses were conducted using SPSS (version 19.0). The first phase of data analysis was to ascertain the reliability of the research instrument for this particular study. This was achieved by conducting reliability analysis on the data.

4.7.1.1 Reliability analysis

Reliability analysis was performed on the data using the Cronbach Alpha coefficient so as to assess the degree of consistency of the scale. It is a measurement which represents the consistency with which a research instrument measures a given performance or behaviour (and is discussed further in depth later on in this chapter).

4.7.1.2 Descriptive statistics

The second phase entails analysing the data using descriptive statistics. Descriptive data involves organising and describing research data in such a way as to make it more comprehensible (Singleton and Straits, 2005:457). It presents quantitative descriptions in manageable summaries (Babbie, 2007:450). Descriptive statistics simply describes what the data is showing as well as providing the researcher with a snapshot of what the data looks like. The descriptive statistics were presented in frequency tables and charts. Furthermore, since the main objective of this study was to determine the relationship between the research variables, the third and last phase of the statistical analysis involved inferential testing on the data with the aim of addressing the main research questions/objectives, which was to determine the relationship between the research variables.

4.7.1.3   Inferential statistics

Analysis of variance: Analysis of variance, popularly known as ANOVA, was computed in order to determine if the difference in mean among the variables was significant. It calculates the probability that difference among the observed means could simply be due to chance. ANOVA was also computed in order to determine the main and interactive effect of perceived availability of training, co-worker support for training and supervisor's support for training on affective commitment, continuance commitment and turnover intention respectively. If the p-value is found to be < 0.01 then the difference in mean is considered significant.

Correlation analysis: Pearson correlation coefficient was utilised to measure the relationship among research variables. It can be used to determine both the direction and strength of the relationship between two variables (Urdan, 2005:87). For this study, it is used to determine the strength and direction (whether negative or positive) between the research variables. Correlations are regarded as statistically significant and practically relevant when $r \geq 0.25$ and $p < 0.01$. Pearson correlation was conducted on the data in order to answer research questions 2, 3 and 4.

According to McBurney and White (2007:380), the Pearson correlation coefficient referred to as r, is the most commonly used measure of relationship between research variables. Correlation coefficient ranges from -1.00 to +1.00.

Regression analysis: is a statistical technique that allows prediction scores on variables based on their scores on other variables (Brace, Kemp & Snelgar, 2006:206). According to Faraway (2002:13) regression analysis has several possible objectives which include: prediction of future observation, assessment of the effect of or relationship between the predictor variable (independent variable) and the dependent variable and general description of the data structure.

For this study, multiple regression analysis is used to determine the extent to which the independent variables (perceived availability of training, perceived supervisor support for training and perceived co-worker support for training) jointly and

independently predict the dependent variables (affective commitment, continuance commitment and turnover intentions). The next section provides discussion on the reliability and validity of the instruments for this particular study.

4.8   Validity and reliability of instruments

Reliability and validity of instruments are critically significant to research. Validity is the ability of the instrument to measure what it was designed to measure (Kumar, 2005:158). Reliability refers to the consistency with which the same measurement technique will produce the same results if the same technique were used by another researcher (Singleton & Straits, 2005:97). A measurement instrument that is reliable will produce the same result if a variable is repeatedly measured under almost identical circumstances.

There are several ways to estimate the validity of an instrument, they include; content validity, concurrent validity, face validity and predictive validity. The items used in the questionnaire for this study were obtained from validated research instruments used in prior studies; hence the validity of the instruments has been established. Furthermore, content validity was judged by the research supervisors. They determined whether the items adequately represented the aspects associated with the research variables (perceived availability of training, perceived supervisor support for training, co-worker support for training, organisational commitment and turnover intentions) as specified in the conceptual framework by Newman *et al.,* (2009). According to Brink (1996:168), content validity is an assessment of how well the instrument represents all the different components of variables to be measured.

Reliability analysis was conducted with the aim of ensuring that the items measure the appropriate underlying constructs in this present study. Whitelaw (2001) argues that an instrument must be reliable before it can be deemed as valid, suggesting that the instrument must be consistently reproducible. Once that is achieved the instrument can then be examined to determine whether it is what it purports to be.

4.8.1 Reliability analysis of all scales in the instrument

Description of reliabilities of all scales used in the study indicated that turnover intentions scale has a Cronbach Alpha of 0.77. Affective commitment scale has Cronbach Alpha coefficient of 0.71. Continuance commitment scale has Cronbach Alpha reliability coefficient of 0.72. Perceived availability of training has Cronbach Alpha reliability coefficient of 0.88. Perceived co-worker support for training scale has Cronbach Alpha reliability coefficient of 0.68. Finally, perceived supervisor's support for training scale has Cronbach Alpha reliability coefficient of 0.90. With this, it shows that all the scales used in this study have acceptable robust psychometric properties indicating their reliabilities.

4.9   Summary

In this chapter the research design was outlined against the background of the research questions. A quantitaive descriptive research by way of survey design using a self-administered questionnaire was employed to collect quantitative data from employees of SMME hotels within the Cape Metropole Area of the Western Cape Province of South Africa. Research variables were measured using validated instruments, from previous studies. The reliability of the instruments was tested for this study.

Non-probability purposive sampling method was utilised to sample the research population. This was done in the absence of a sample frame containing only SMME hotels within the target area. This sampling method ensured the selected hotels met the criteria for small business as laid down by the National Small Business Act (No. 102, 27 November 1996). The next chapter presents analysis of data.

CHAPTER FIVE

PRESENTATION AND ANALYSIS OF DATA

5.1 Introduction

This chapter deals with the presentation and analysis of data collected using questionnaire from employees of SMME hotels within the Cape Metropole Area of South Africa. The questionnaire is divided into three sections: the first section provides an explanation of how data from the questionnaire were analysed using frequency distribution, statistical analysis, cross tabulation and descriptive statistics; the second section involves presentation of findings in tabular and chart formats; and the third section presents an analysis of the research findings with the aim of answering the research questions using inferential statistics such as Pearson correlation and multiple regression.

5.2 Processing of data

The questionnaire contained statements on both the independent and dependent variables being investigated. Responses to these statements were in the form of a four-point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Agree and 4 = Strongly Agree. Respondents were asked to mark "X" on the number which indicates their level of agreement with each statement.

The completed questionnaires were collected from the respondents and checked to ensure they were usable before being processed further. Since the quantitative data was pre-coded by listing different numerical codes against different responses, transforming the data format from textual to numerical was done by coding and inputting data on SPSS (version 19) so as to enable analysis using the relevant statistical techniques (Henn *et al.,* 2006:203).

As stated earlier, information collected for this study was with the aim of answering the following research questions:

1. What are the employee perceptions of training within SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

2. What is the relationship between employee perceptions of training and affective and continuance dimensions of organisational commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived availability of training and affective commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived availability of training and continuance commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived supervisor's support for training and affective commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived supervisor's support for training and continuance commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived co-workers' support for training and affective commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived co-workers' support for training and continuance commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

3. What is the relationship between affective commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

4. What is the relationship between continuance commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

The next section provides an explanation of the various ways data from the questionnaire were analysed.

5.3   Descriptive statistics

The first part of data analysis was done by means of presenting the data collected in a descriptive statistic format. Descriptive statistics basically describe what the data is showing, and this is done in line with Singleton and Straits' (2005:457) assertion that descriptive statistics involves organising and describing data with the aim of making it more understandable. Descriptive statistics provides a basic summary of each variable in the data as well as providing a summary of the level of relationship between different variables. Frequency distribution and cross-tabulation were adopted for analysis of descriptive data which were presented in tabular and graphic format.

5.3.1 Sample description

Data collected from the completed survey questionnaire is presented in a simplified manner using bar charts and tabular format. The questionnaire utilised for this study consisted of two sections. The first section consisted of statements on the three research variables of employee perceptions of training, turnover intentions and organisational commitment. The second section collected demographic information of the respondents; results of this section will be presented first.

5.3.1.1 Description of demographic data

Demographic information was collected to establish the gender, age, tenure of employment and level of education. This was done with the aim of establishing a possible relationship with the research variables.

Table 5.1   Gender of respondents (n=127)

	Frequency	%	Cumulative %
Female	66	52	52
Male	61	48	100
Total	127	100	

The research sample is made up of 66 females and 61 males. This indicates an almost balanced distribution of males and females within the sample, as females constitute 52% and males 48%.

Table 5.2   Age of respondents (n=127)

	Frequency	%	Cumulative %
Under 20 years	3	2.4	2.4
21 - 30 years	64	50.4	52.8
31 - 40 years	43	33.9	86.6
41 - 50 years	11	8.7	95.3
51 and above	6	4.7	100.0
Total	127	100.0	

The basis for this information was to determine the age range employed within the small hotel sector within the Cape Metropole Area. Results outlined in the table above show that 2.4% of the respondents fell between the ages of 20 and below, 50.4% were between the ages of 21 and 30, 33.9% were between the ages of 31 and 40, while 8.7% of the respondents were between the ages of 41 and 50 and aged 51 and above constituted 4.7% of the respondents.

This indicates that a high number of young people are employed amongst the sampled population as 64 of the total 127 respondents fall between the age of 21 and 30.

Table 5.3   Number of years employed by current organisation (n=127)

	Frequency	%	Cumulative %
Less than 1 year	34	26.8	26.8
2 - 4 years	47	37.0	63.8
5 - 9 years	30	23.6	87.4
10 - 14 years	10	7.9	95.3
15 years or more	6	4.7	100.0
Total	127	100.0	

Information about the number of years respondents have been employed with their current organisation is very critical to this study because one of the variables under investigation is turnover intentions of employees in SMME hotels within the Cape Metropole Area. Number of years employed can be an indicator for the turnover culture within an organisation. As results from Table 5.3 above clearly demonstrate, 26.8% of the respondents have been with their current employer for a period of less than one year while 37% have been employed between two and four years. A total of 63.8% of the respondents have been with their current employers from a period of less than one year to four years.

With regard to level of education, the majority of the respondents have a National Diploma (34.6%), followed by those with a National Certificate (22.8%) and then a Matric qualification (15.7%) - totalling 73.1% of the sample. This is outlined in Table 5.4.

Table 5.4   Respondents' level of education (n=127)

	Frequency	%	Cumulative %
Primary School (Grade 1 to 7)	2	1.6	1.6
Secondary school (Grade 8 to 11)	12	9.4	11.0
Matric (Grade 12)	20	15.7	26.8
National Certificate Vocational	29	22.8	49.6
National Diploma	44	34.6	84.3
Bachelors Degree	10	7.9	92.1
Honours Degree	7	5.5	97.6
Masters Degree or higher	3	2.4	100.0
Total	**127**	**100.0**	

This particular result indicates that more than 70% of the population have post matric qualifications. This finding contradicts results from prior study where a majority of employees within the small hotel sector had low levels of education (Teixeira & Baum, 2007:155).

5.3.1.2 Description of research variables

This section presents descriptive and inferential statistics on the research variable of perceived availability of training, organisational commitment and turnover intentions. Descriptive statistics provides a basic summary of each variable in the data. Data is presented using frequency distribution tables, bar and pie charts.

Inferential statistics is presented so as to be able to make inferences from the data. ANOVA was computed in order to determine the main and interactive effect of perceived availability of training, co-worker support for training and supervisor's support for training on affective commitment, continuance commitment and turnover intentions respectively.

5.3.2   Turnover Intentions (TI)

In order to answer one of the research questions - i.e. to determine the relationship between employee perceptions of training and turnover intentions within small hotels in the Cape Metropole Area of South Africa, it was necessary to determine employee turnover intentions which have been used as the most accurate predictors of actual

turnover (Shields & Ward, 2001:692). This study presented statements on turnover intentions with a view to ascertaining employees' intention to quit their job.

Cross-Tabulation

Table 5.5 Intentions to quit and work for another company in the next year

		I may leave this company and work for another company in the next year				
		Strongly Disagree	Disagree	Agree	Strongly Agree	Total
I often think of quitting my present job	Strongly Disagree	17	9	0	0	26
	Disagree	4	15	12	4	35
	Agree	0	2	32	8	42
	Strongly Agree	0	0	16	8	24
Total		21	26	60	20	127

The cross-tabulation in Table 5.5 above indicates that 61(48%) of the 127 respondents do not plan to quit their current jobs (26 strongly disagree and 35 disagree on quitting their current jobs). On the other hand, 66(52%) of the respondents plan on quitting their jobs (42 agree and 24 strongly agree on quitting their current jobs).

Respondents' intention to quit was further tested by the statement 'I may leave this company and work for another company in the next year'. Of the 127 respondents, 47(37%) had no plans to leave their current employers to work for another company in the next year (21 strongly disagree and 26 disagree). However 80(63%) of the respondents had intentions of leaving their current organisation to work for another organisation within the next year (60 agree and 20 strongly agree). In order to give meaning to the descriptive statistics, ANOVA was conducted on the data to determine if the difference between the mean among the research variables was significant in determining turnover intentions.

Table 5.6 A 2X2X2 ANOVA showing main and interaction effects of PAT, PCWST and PSST on TI

Source	SS	df	MS	F	Sig.
Perceive Availability of Training (A)	45.35	1	45.35	6.95	.010
Perceive Co-worker Support (B)	12.77	1	12.77	1.96	.165
Perceive Supervisor's Support (C)	27.96	1	27.96	4.28	.041
A X B	23.23	1	23.23	3.56	.062
A X C	9.64	1	9.64	1.48	.227
B X C	10.64	1	10.64	1.63	.204
A X B X C	19.05	1	19.05	2.92	.090
Error	776.90	119	6.53		
Total	**925.54**	**126**			

From Table 5.6, result of ANOVA shows that perceived availability of training (F 1, 119)= 6.95; P<.05) and supervisor's support for training (F (1, 119)=4.28; P<.05) have significant main effects on turnover intentions among employees respectively. Main effect of perceived availability of training on turnover intentions indicates that employees who perceived high availability of training (Mean=8.93) were significantly lower in turnover intentions than those who perceived low availability of training (Mean=10.49). Similarly, main effect of supervisor's support for training on turnover intentions indicates that employees who perceived high supervisor's support for training (Mean=9.10) were significantly lower in turnover intentions than those who perceived low supervisor's support for training (Mean=10.32). However, the 2X2X2 ANOVA shows no interaction effects of perceived availability of training, co-worker support for training and supervisor's support for training on turnover intentions.

5.3.3 Affective Commitment

Respondents' affective commitment to their organisation was tested with four statements on the research questionnaire. This was aimed at determining respondents' emotional attachment to, and involvement with their organisation (Allen and Meyer, 1990:1). ANOVA was also performed on the data so as to be able to make inferences on the descriptive statistics.

From Figure 5.1 below, 61% of respondents did not agree (18.90% strongly disagree plus 41.73% disagree) that the organisation's problems were their own. However,

39% of the respondents agreed (33.86% agree plus 4.72% strongly agree) that the organisation's problems were their own.

Figure 5.1 Respondents' outlook on organisational problems
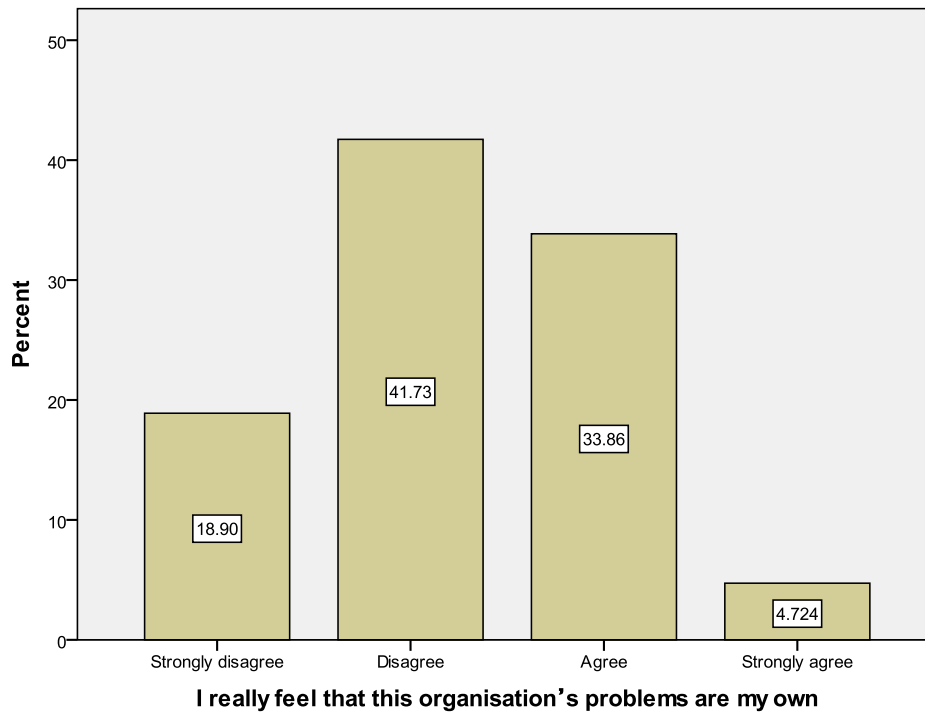
Table 5.7 Respondent's emotional attachment to their organisations

	Frequency	%	Cumulative %
Strongly agree	9	7.1	7.1
Agree	51	40.2	47.2
Disagree	47	37.0	84.3
Strongly Disagree	20	15.7	100.0
Total	127	100.0	

Respondents' emotional attachment to their organisation was tested using the statement 'I do not feel emotionally attached to this organisation'. Results from Table 5.7 above, indicate that a total of 47.3% of the respondents (7.1% strongly agree and 40.2% agree) did not feel emotionally attached to their organisation. On the other

hand, a total of 52.7% of the respondents (37% disagree and 15.7% strongly disagree) did not agree with the statement, which showed that they felt emotionally attached to their organisation. ANOVA was conducted on the data to determine if the mean difference among the research variables is significant in determining affective commitment.

Table 5.8   A 2X2X2 ANOVA showing main and interaction effects of PAT, PCWST and PSST on AC

Source	SS	df	MS	F	Sig.
Perceive Availability of Training (A)	0.01	1	0.01	0.00	.968
Perceive Co-workers' Support (B)	0.49	1	0.49	0.12	.733
Perceive Supervisor's Support (C)	119.87	1	119.87	28.84	.000
A X B	41.05	1	41.05	9.87	.002
A X C	0.21	1	0.21	0.05	.824
B X C	3.12	1	3.12	0.75	.388
A X B X C	4.37	1	4.37	1.05	.307
Error	494.67	119	4.16		
Total	**663.79**	**126**			

From Table 5.8, the result of ANOVA shows that supervisor's support for training (F $(1, 119) = 28.84$; P<.05) has significant main effects on affective commitment among employees. The main effect of supervisor's support for training on affective commitment indicates that employees who perceived high supervisor's support for training (Mean=11.85) were significantly higher in affective commitment than those who perceived low supervisor's support for training (Mean=9.32). The 2X2X2 ANOVA results also show interaction effects of perceived availability of training and co-worker support for training on affective commitment (F $(1, 119) = 9.87$; P<.05). It indicates that employees who perceived high availability of training and high co-worker support for training (Mean=11.42) scored higher in affective commitment than those who perceived low availability of training and low co-worker support for training (Mean=11.24).

5.3.4 Continuance Commitment (CC)

In order to establish the relationship between employees' continuance commitment and other variables, respondents' continuance commitment to their organisation was tested with relevant statements on continuance commitment in the research questionnaire. Continuance commitment refers to the perceived cost associated with leaving the organisation and this cost includes personal sacrifices associated with leaving the organisation as well as available alternatives available to the employees (Allen & Meyer, 1990:1). ANOVA was also performed on the data in order to determine if the difference between the mean among variables is significant in determining continuance commitment.

Figure 5.2 below illustrates respondents' views on available alternatives should they decide to leave their current organisation. The majority of the respondents i.e. 71.65% of the research sample (29.92% agree plus 41.73% strongly agree) agreed that scarcity of available alternatives would be a serious consequence of leaving their current organisations. On the other hand, only 28.35% of the respondents disagreed (18.80% disagree and 9.45% strongly disagree) with the statement, indicating that scarcity of available alternatives would not be a serious consequence, should they consider leaving their organisation. This could be further interpreted as meaning that such respondents were still in their current jobs not as a result of scarcity of available alternatives.

Figure 5.2 Available alternatives

One of the few serious consequences of leaving this organisation would be the scarcity of available alternatives
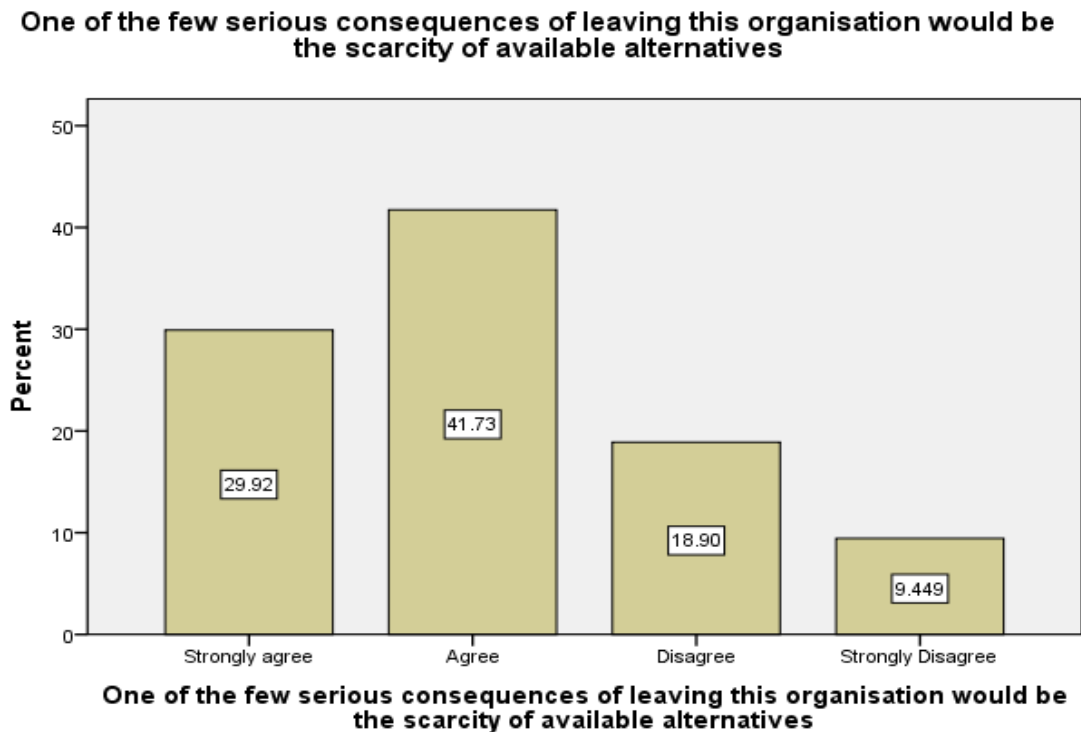
Cost of personal investments

Continuance commitment also involves an awareness of personal investment made by employees. In order to ascertain respondents' perceived cost of leaving their organisations in terms of personal sacrifices, the statement 'If I had not already put so much of myself into this organisation, I might consider working elsewhere' was utilised.

Table 5.9 Cost of personal investments

	Frequency	%	Cumulative %
Strongly disagree	14	11.0	11.0
Disagree	68	53.5	64.6
Agree	36	28.3	92.9
Strongly agree	9	7.1	100.0
Total	127	100.0	

Table 5.9 above reveals that 64.6% i.e. the majority of the respondents (11% strongly disagree plus 53.5% disagree) disagreed with the statement while 35.4% of the respondents agreed (28.3% agree plus 7.1% strongly agree). This indicates that the majority of the respondents had remained in their current jobs, not because of the personal sacrifices or investments made on the job but for other unknown factors not currently investigated. Continuance commitment is built over time on the job but findings from Table 5.3 demonstrate that the majority of respondents had been employed with their organisations for short periods, which may be the reason for low response indicative of personal sacrifices on the job. However, in order to make inferences to the descriptive statistics, results from the ANOVA test are presented below.

Table 5.10   A 2X2X2 ANOVA showing main and interaction effects of PAT, PCWST and PSST on CC

Source	SS	Df	MS	F	Sig.
Perceive Availability of Training (A)	0.99	1	0.99	0.15	.700
Perceive Co-worker Support (B)	22.30	1	22.30	3.34	.070
Perceive Supervisor's Support (C)	0.00	1	0.00	0.00	.991
A X B	24.99	1	24.99	3.75	.055
A X C	1.60	1	1.60	0.24	.625
B X C	6.92	1	6.92	1.04	.310
A X B X C	2.02	1	2.02	0.30	.584
Error	794.04	119	6.67		
Total	852.86	126			

From Table 5.10, result of 2X2X2 ANOVA shows that perceived availability of training $(F_{(1, 119)}=0.15; P>.05)$ has no main effect on continuance commitment among employees. Co-worker support for training $(F_{(1, 119)}=3.34; P>.05)$ has no significant main effect on continuance commitment among employees. Supervisor's support for training $(F_{(1, 119)}=3.34; P>.05)$ has no significant main effect on continuance commitment among employees.

5.3.5 Employee Perceptions of Training (EPT)

In this study, employee perception of training is measured using three variables: perceived availability of training, supervisor's support for training and co-worker support for training.

5.3.5.1 Perceived Availability of Training (PAT)

Availability of Training refers to the extent to which employees feel they have access to training opportunities within the organisation (Newman *et al.,* 2009:8). In order to ascertain perceived availability of training, statements on both formal and informal on-the-job training were utilised.

Table 5.11 Access to in-house job-specific training

	Frequency	%	Valid %	Cumulative %
Strongly disagree	18	14.2	14.2	14.2
Disagree	49	38.6	38.6	52.8
Agree	44	34.6	34.6	87.4
Strongly agree	16	12.6	12.6	100.0
Total	127	100.0	100.0	

Training within small hotels is usually an informal on-the-job type of training (Nolan, 2002:93). A couple of items in the research questionnaire were used to determine if respondents had access to such job-specific training. Results indicate that 52.8% of the respondents did not have access to in-house job specific training (14.2% strongly disagree plus 38.6% disagree). However, 47.2% of the respondents agreed (34.6% agree plus 12.6% strongly agree) that they had access to in-house job specific training.

Table 5.12 Access to job-specific training for new employees

	Frequency	%	Valid %	Cumulative %
Strongly disagree	11	8.7	8.7	8.7
Disagree	34	26.8	26.8	35.4
Agree	64	50.4	50.4	85.8
Strongly agree	18	14.2	14.2	100.0
Total	127	100.0	100.0	

Results from Table 5.12 above indicate that 35.4% of the respondents disagreed that their organisation provides access to job specific training for new employees, while a majority of the respondents totalling 64.6% agreed that their organisation provided access to job-specific training. A comparison between results from Tables 5.8 and 5.9 clearly shows that new employees within the sampled population are perceived to have higher access to job specific training than older employees. This demonstrates that training is more focused on new employees (Teixeira & Baum, 2007:158).

Results from Figure 5.3 below illustrate that 57.48% disagreed and 14.17% strongly disagreed that their organisation provided access for general training programmes and seminars outside their organisation; however 21.26% agreed and 7.09% strongly agreed that their organisation provided access for general training outside their organisation.

Figure 5.3   Access to general training programmes outside the organisation

My organisation provides its employees with good opportunities to undertake general training programmes and seminars outside of the organisation
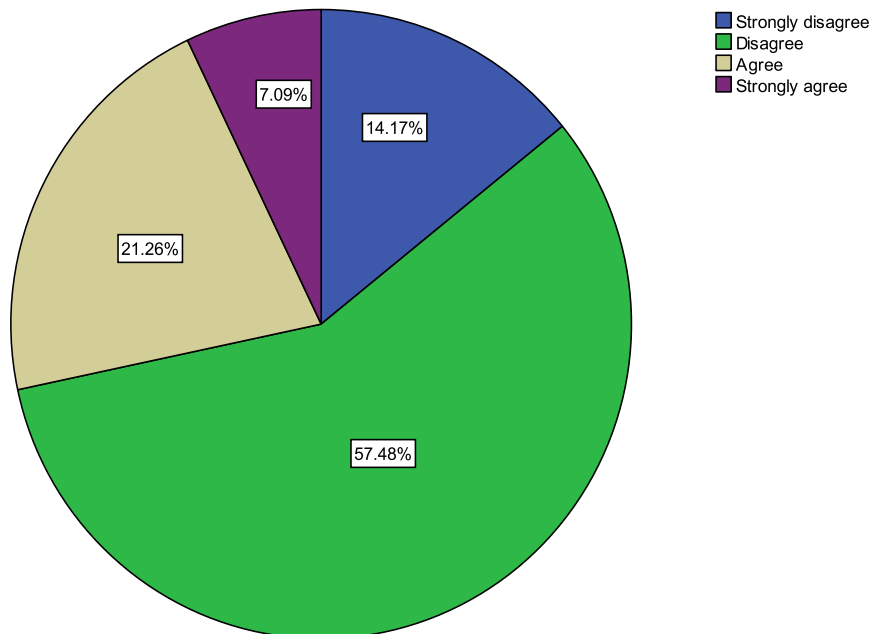
This indicates a negative response for general training programmes and seminars outside the organisation.

5.3.5.2 Perceived Supervisor's Support for Training (PSST)

Employees are more likely to place importance on training programmes that are highly valued and supported by their supervisors (Brum, 2007:10), hence the rationale for this information.

Figure 5.4 Supervisor's support for participation in training

My supervisor supports my participation in training and development programmes
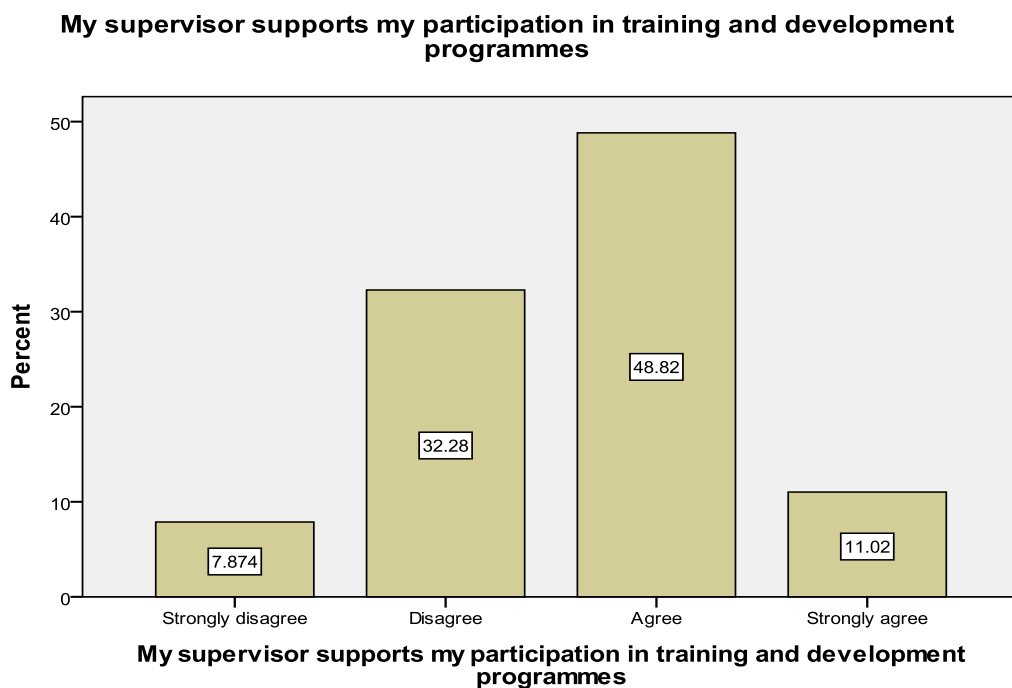
Findings from Figure 5.4 above indicate a high rate of perceived supervisors' support for training among the respondents. 59.84% of the respondents agreed (48.82% agree plus 11.02% strongly agree) that their supervisors supported their participation in training and development programmes while 40.15% disagreed (32.28% disagree and 7.87% strongly disagree) with it.

Table 5.13 Supervisor ensures training needed for job effectiveness

	Frequency	%	Valid %	Cumulative %
Strongly disagree	14	11.0	11.0	11.0
Disagree	55	43.3	43.3	54.3
Agree	46	36.2	36.2	90.6
Strongly agree	12	9.4	9.4	100.0
Total	127	100.0	100.0	

Table 5.13 above reveals that a 54.3% of the respondents disagreed (11% strongly disagree plus 43.3% disagree) with the statement that their supervisors ensured that they got the training needed for job effectiveness, while 45.6% of the respondents agreed (36.2% agree plus 9.4% strongly agree). A comparison of this finding with results from Figure 5.4, demonstrates that while more supervisors might support employee training, a lesser number ensure that employees get the actual training needed for job effectiveness.

Table 5.14 Supervisor believes training is one of his / her major job responsibilities

	Frequency	%	Valid %	Cumulative %
Strongly disagree	5	3.9	3.9	3.9
Disagree	62	48.8	48.8	52.8
Agree	41	32.3	32.3	85.0
Strongly agree	19	15.0	15.0	100.0
Total	127	100.0	100.0	

Table 5.14 shows an almost even spread between responses agreeing with the statement 'My supervisor believes training is one of his/her major job responsibilities' and those that disagreed with it, as 52.8% of the respondents disagreed while 47.2% agreed with the statement.

5.3.5.3 Perceived Co-Worker Support for Training (PCWST)

Co-workers' support for training is believed to have important performance-related outcomes (Newman et al., 2009:10). Statements were used to test co-worker support for training.

Table 5.15   Co-Worker resistance to application of new knowledge or skills on the job

	Frequency	%	Valid %	Cumulative %
Strongly agree	6	4.7	4.7	4.7
Agree	30	23.6	23.6	28.3
Disagree	77	60.6	60.6	89.0
Strongly Disagree	14	11.0	11.0	100.0
Total	127	100.0	100.0	

Co-worker support for training was assessed by the statement 'My co-workers resist my efforts to apply new knowledge or skills on the job'. Table 5.15 depicts that 33% of the respondents agreed with the statement, while 67% disagreed with it, indicating a positive result for co-worker support for application of new knowledge and skills on the job.

5.4   Relationship between EPT, OC and TI

In order to determine the relationships between the research variables, Pearson correlation was performed on the data as a type of inferential statistics. Correlations are regarded as statistically significant and practically relevant when r≥0.25 and p<0.01; hence, all statistics in the study are significant at .01. Pearson correlation was conducted on the data in order to answer research questions 2, 3 and 4.

Finally, regression analysis was used to determine the extent to which the independent variables (perceived availability of training, perceived co-worker support for training and perceived supervisor's support for training), jointly and independently predict dependent variables (affective commitment, continuance commitment and turnover intentions).

5.4.1. Relationship between PAT and AC

Table 5.16 Pearson correlation for perceived availability of training and affective commitment

Variables	N	Mean	SD	r	P
Perceived Availability of Training	127	14.72	3.81	.34	.000
Affective Commitment	127	10.62	2.41		

From Table 5.16, the Pearson correlation shows a significant positive relationship between perceived availability of training and affective commitment among respondents (r=.34; P<.05). This suggests that the higher the perceived availability of training, the higher affective commitment among respondents.

5.4.2. Relationship between PAT and CC

Table 5.17 Pearson correlation for perceived availability of training and continuance commitment

Variables	N	Mean	SD	r	P
Perceived Availability of Training	127	14.72	3.81	-.01	.919
Continuance Commitment	127	9.76	2.63		

From Table 5.17, the Pearson correlation shows no significant relationship between perceived availability of training and continuance commitment among respondents (r=-.01; P>.05). This suggests that there is no relationship between perceived availability of training and continuance commitment among respondents.

5.4.3. Relationship between PSST and AC

Table 5.18 Pearson correlation for perceived supervisor's support for training and affective commitment

Variables	N	Mean	SD	r	P
Perceived Supervisor's Support for Training	127	23.94	5.44	.38	.000
Affective Commitment	127	10.62	2.41		

From Table 5.18, the Pearson correlation shows a significant positive relationship between perceived supervisor's support for training and affective commitment among

respondents (r=.38; P<.05). This suggests that the higher the perceived supervisor's support for training, the higher the affective commitment among respondents.

5.4.4. Relationship between PSST and CC

Table 5.19   Pearson correlation for perceived supervisor's support for training and continuance commitment

Variables	N	Mean	SD	r	P
Perceived Supervisor's Support for Training	127	23.94	5.44	.07	.448
Continuance Commitment	127	9.76	2.63		

From Table 5.19, the Pearson correlation shows no significant relationship between perceived supervisor's support for training and continuance commitment among respondents (r=.07; P>.05). This suggests that there is no relationship between supervisor's support for training and continuance commitment among respondents.

5.4.5. Relationship between PCWST and AC

Table 5.20   Pearson correlation for perceived co-worker support for training and affective commitment

Variables	N	Mean	SD	R	P
Perceived Co-Worker Support for Training	127	5.72	1.32	.13	.159
Affective Commitment	127	10.62	2.41		

From Table 5.20, the Pearson correlation shows no significant relationship between perceived co-worker support for training and affective commitment among respondents (r=.13; P<.05). This suggests that there is no relationship between co-worker support and affective commitment among respondents.

5.4.6. Relationship between PCWST and CC

Table 5.21   Pearson correlation for perceived co-worker support for training and continuance commitment

Variables	N	Mean	SD	R	P
Co-Worker Support for Training	127	5.72	1.32	.17	.059
Continuance Commitment	127	9.76	2.63		

From Table 5.21, the Pearson correlation shows no significant relationship between co-worker support for training and continuance commitment among respondents (r=.17; P>.05). This suggests that there is no relationship between co-worker support for training and continuance commitment among respondents.

5.4.7. Relationship between AC and TI

Table 5.22 Pearson correlation for affective commitment and turnover intentions

Variables	N	Mean	SD	r	P
Affective Commitment	127	10.62	2.41	-.46	.000
Turnover Intentions	127	10.01	2.84		

From Table 5.22, above, the Pearson correlation shows a significant negative relationship between affective commitment and turnover intentions among respondents (r=-.46; P<.05). This suggests that the higher the affective commitment, the lower the turnover intentions among respondents.

5.4.8. Relationship between CC and TI

Table 5.23 Pearson correlation for continuance commitment and turnover intentions

Variables	N	Mean	SD	r	P
Continuance Commitment	127	9.36	1.92	.01	.273
Turnover Intentions	127	10.01	2.84		

Findings from Table 5.23 above show that there is no significant relationship between continuance commitment and turnover intentions among respondents (r=.01; P>.05). This suggests that there is no relationship between continuance commitment and turnover intentions.

5.4.9. Relationship between PAT and TI

Table 5.24 Pearson correlation for PAT and TI

Variables	N	Mean	SD	r	P
Availability of Training	127	14.72	3.81	-.58	.000
Turnover Intentions	127	10.01	2.84		

Results from Table 5.24 above demonstrate a significant negative relationship between perceived availability of training and turnover intentions among respondents (r=-.58; P<.05). This suggests that the higher the perceived availability of training, the lower the turnover intentions among respondents.

5.4.10. Relationship between PSST and TI

Table 5.25   Pearson correlation for PSST and TI

Variables	N	Mean	SD	r	P
Supervisor's Support for Training	127	23.94	5.44	-.32	.000
Turnover Intentions	127	10.01	2.84		

Result from Table 5.25 above indicates that there is a significant negative relationship between perceived supervisor's support for training and turnover intentions among respondents (r=-.32; P<.05). This suggests that the higher the perceived supervisor's support for training, the lower the turnover intentions among respondents.

5.4.11. Relationship between PCWST and TI

Table 5.26   Pearson correlation for PCWST and TI

Variables	N	Mean	SD	r	P
Co-Worker Support for Training	127	5.72	1.32	.04	.666
Turnover Intentions	127	10.01	2.84		

From Table 5.26 above, the Pearson correlation shows no significant relationship between perceived co-worker support for training and turnover intentions among respondents (r=.04; P>.05). This suggests that there is no relationship between perceived co-worker support for training and turnover intentions.

5.4.12.   Independent and Joint Prediction of TI, AC and CC

Table 5.27:   Multiple regression analysis indicating the various predictors of TI

Predictors	β	T	P	R	R^2	F	P
Perceived Availability of Training	-.57	-6.41	.000	.58	.34	20.77	.000
Co-Worker Support for Training	.04	0.54	.593				
Supervisor's Support for Training	-.02	-0.26	.796				

From Table 5.27, the result shows that all predictor variables (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) jointly predict respondents' turnover intentions (F (3,123) = 20.77; P<.05), with R = 0.58; R^2 = 0.34. This result suggests that all the predictor variables jointly account for 34% variation in respondents' turnover intentions. In other words, all the predictor variables could only explain turnover intentions to 34 per cent, while other variables not investigated account for the remaining percentage. However, only perceived availability of training significantly independently predict turnover intentions (β = -.57; t = -6.41; P<.05). Perceived supervisor's support for training and perceived co-workers' support for training do not have significant independent contribution to turnover intentions (β = -.02; t = -0.26; P>.05) and (β = -.04; t = -0.54; P>.05) respectively.

Table 5.28: Multiple regression analysis indicating the various predictors of AC

Predictors	B	t	P	R	R^2	F	P
Perceived Availability of Training	.21	2.14	.034	.42	.17	8.61	.000
Co-Workers' Support for Training	.08	0.90	.371				
Supervisor's Support for Training	.25	2.44	.016				

From Table 5.28, the result shows that all predictor variables (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) jointly predict respondents' affective commitment (F (3,123) = 8.61; P<.05), with R = 0.42; R^2 = 0.17. This result suggests that all the predictor variables jointly account for 17% variation in respondents' affective commitment. In other words, all the predictor variables could only explain affective commitment of the respondents to 17 per cent, while other variables not investigated account for the remaining percentage. However, perceived supervisor's support for training significantly independently predicts affective commitment (β = .25; t = 2.44; P<.05) and perceived availability of training significantly independently predict affective commitment (β = .21; t = 2.14; P<.05). Perceived co-workers' support for training

does not have significant independent contribution to affective commitment (β = .08; t = 0.90; P>.05).

Table 5.29: Multiple regression analysis indicating the various predictors of CC

Predictors	β	t	P	R	R^2	F	P
Perceived Availability of Training	-.04	-0.36	.717	.17	.03	1.29	.282
Co-Worker Support for Training	.16	1.70	.019				
Supervisor's Support for Training	.06	0.52	.606				

From Table 5.29, the result shows that all predictor variables (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) do not jointly predict respondents' continuance commitment (F (3,123) = 1.29; P>.05), with R=0.17; R^2=0.03. This result suggests that all the predictor variables jointly account for 3% variation in respondents' continuance commitment. In other words, all the predictor variables could only explain continuance commitment among respondents to just 3 per cent, while other variables not investigated account for the larger remaining percentage. The result shows that perceived availability of training, perceived co-worker support for training and perceived supervisor's support for training do not make significant independent contribution to continuance commitment (β = -.04; t = -0.36; P>.05), (β = .16; t = 1.70; P>.05) and (β = .06; t = 0.52; P>.05) respectively.

5.5 Summary

This chapter summarises the main research findings in the study. Summary of findings shall be discussed based on statistical methods used.

Using Pearson correlation analyses, the following were the main findings:

- Perceived availability of training and supervisor's support for training positively related to affective commitment. This suggests that the higher the perceived

availability of training and the perceived supervisor's support for training, the higher the affective commitment among employees.

- Perceived availability of training and supervisor's support for training negatively related to turnover intention, indicating that the higher the availability of training and supervisor's support for training, the lower the intention to leave the organisation.

- Affective commitment negatively related to turnover intention. This suggests that the higher the affective commitment among employees, the lower their intention to leave the organisation.

Using 2X2X2 ANOVA analysis, the following were the main findings:

- Perceived availability of training and supervisor's support for training had main effects on turnover intention; meaning that they both directly influenced intention to leave the organisation.

- Perceived supervisor's support for training had main effect on affective commitment; suggesting that employees who perceived high supervisor's support tended to have higher affective commitment to the organisation.

- Perceived availability of training and co-worker support for training had interactions effects on affective commitment. This suggests that employees who perceived high availability of training and high co-worker support for training were more likely to have higher affective commitment to the organisation.

Using multiple regression analysis, the following were the main findings:

- Perceived availability of training, perceived supervisor's support for training and co-worker support for training jointly predicted turnover intention and affective commitment. This means that all the predictor variables jointly explain turnover intention with a tangible thirty four percentage; making them relevant in determining intentions to leave among employees. In other words,

employee perceptions of training (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) jointly predict respondents' turnover intentions by 34%, affective commitment by 17% but do not jointly predict respondents' continuance commitment.

- Perceived availability of training independently predicted turnover intentions; suggesting that high availability of training correlated with lower intentions to leave the organisation.

- Perceived availability of training and perceived supervisor's support for training independently predicted affective commitment. The finding suggests that high availability of training correlated with high affective commitment; and high supervisor's support for training correlated with high affective commitment.

The use of descriptive analysis indicates that more than half of the respondents did not have access to in-house on-the-job training and a majority of the respondents perceived they did not have access to formal training and seminars outside their organisation. However, a large number of respondents indicated that their organisation provided training for new employees, suggesting that training amongst the respondents selected from SMME hotel in the Cape Metropole was focused more on new employees.

The last chapter will present an overview on the findings of the research, provide recommendations and draw conclusions.

CHAPTER SIX

DISCUSSIONS, RECOMMENDATIONS AND CONCLUSIONS

6.1   Introduction

The aim of this study was to determine the relationships between employee perceptions of training, organisational commitment and turnover intentions among employees of SMME hotels in the Cape Metropole Area of Western Province of South Africa. This chapter presents discussions on the findings against the backdrop of the research questions and relates findings to both divergent as well as convergent stances in the literature.   It also makes recommendations for future studies and draws conclusions. In order to achieve the main aim of this study, the follow questions were investigated:

1. What are the employee perceptions of training within SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

2. What is the relationship between employee perceptions of training and organisational commitment within SMMEs in the hotel sector in the Cape Metropole Area of South Africa?

- What is the relationship between perceived availability of training and affective commitment?

- What is the relationship between perceived supervisor's support for training and affective commitment?

- What is the relationship between perceived co-worker support for training and affective commitment?

- What is the relationship between perceived availability of training and continuance commitment?

- What is the relationship between perceived supervisor's support for training and continuance commitment?

- What is the relationship between perceived co-workers' support for training and continuance commitment?

3. What is the relationship between affective commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

4. What is the relationship between continuance commitment and employee turnover intentions of SMMEs within the hotel sector in the Cape Metropole Area of South Africa?

Since the main aim of this study was to measure relationships between research variables, a quantitative survey by way of questionnaire method was employed for collecting data. According to Henn, Weinstein and Foard (2006:126-127), surveys are appropriate for examining the relationships between two or more variables and ideal for collecting data on individual behaviours and attitudes. It should be noted that similar studies (Ahmad & Bakar, 2003; Bartlett, 2001; Newman et al., 2009) all utilised survey questionnaires to collect data. The following section presents discussions on the findings.

6.2   Employee perceptions of training

Employee perceptions of training were measured using three variables: perceived availability of training, perceived supervisor support for training and perceived co-worker support for training.

6.2.1 Perceived Availability of Training (PAT)

Perceived availability of training refers to the extent to which employees feel they have access to training opportunities within the organisation. Since training in SMMEs and in particular SMMEs hotels is described as an informal on-the-job type

(Nolan, 2002:93), questions were asked to assess the perceived availability of both formal and informal types of training.

Findings from the questionnaire survey demonstrate that only 47.2% of the sample perceived that they had access to on-the-job informal training. This indicates that a majority of the respondents do not perceive they have access to informal on-the-job training. However 64.6% of the respondents agreed that their organisation provided training for new employees. This may provide the reason for less training of existing employees as training is provided at the point of entry. This corroborates existing literature on training practices in small hotels where training is done internally during the induction of new employees when performing tasks (Teixeira & Baum, 2007:158)

With regard to formal training in the form of general training and seminars outside the organisation, only 28.3% of the respondents perceived that their organisation provided such training opportunities. This can have a negative impact on employee commitment; Barrett and O'Connell (2001:660) assert that the provision of general training has been linked to enhanced employee commitment to the organisation.

Overall, it can be concluded that there is a generally low rate of training among the sampled population. Moreover, the bulk of the perceived available training is on-the-job, with minimal access to formal general training and seminars outside the organisation. This result highlights the poor training culture within SMME hotels. Such poor training runs contrary to factors which are required for enhancing organisational commitment, employee performance and reducing turnover. Theranou et al., (2007:562) state that training can lower turnover and enhance employee retention. Organisations which provide more training will have more operational skills and competencies.

Some of the reasons for this low rate of training among SMME hotels could be lack of motivation on the part of business owners to send employees for training. Teixeira and Baum (2007:165) affirm that training in SMME is generally dependent on the perceptions of the business owner towards training.

6.2.2 Perceived Supervisor's and Co-Worker Support for Training

This study examined the extent of supervisors' and co-worker support for training within the sample population. Perryer et al., (2010:911) state that social support comes from three sources: family and friends, work colleagues and the immediate supervisor and it has been linked to having a positive impact on organisation commitment, as well as reducing turnover.

Results from the questionnaire suggest a high degree of supervisor's support for training as 59.8% of the respondents perceived that their supervisors supported their participation in training and development activities. Supervisor's support for training is further confirmed as over 67% of the respondents agreed that their supervisors provided coaching and guidance to help them achieve their work objectives as well as providing them with feedback on their work performance. Also, results demonstrate that a large number of the respondents did not hesitate to tell their supervisors about their training needs; this indicates a good working relationship between supervisors and their subordinates which is an important component in the formation and maintenance of commitment (Bartlett, 2001:347). Despite the perceived supervisor's support for training, results show that a lesser number of respondents perceived that their supervisors ensured they actually got the needed training and development for job effectiveness. The reason for this might be that decisions on employee training and development in small businesses are often made by business owners and/or management, who might not necessarily be the supervisor.

On the other hand, co-worker support for training is evident in the results, as 71.6% of the respondents agree that their co-workers do not resist their application of knowledge and skills acquired through training. According to Brum (2007:10), an implication of this is that employees will place higher value on training that is respected by their co-workers.

6.3   Relationship between EPT and OC

Theoretical models developed by scholars (Guest, 1987; Thang et al., 2010) have attempted to show how HR practices influence both human resource and organisational outcomes. Thang et al., (2010:28-31) posits that training, like other HR practices, affects HR outcomes such as skills, knowledge, behaviours, attitudes and motivation of employees. Consequently, it is these HR outcomes that have a direct impact on organisational performance such as productivity, profit, increased sales and market share, reduced labour turnover, as well as absenteeism. Employee training has been demonstrated to have a direct effect on the skills, knowledge, attitude and behaviour of employees, which in turn affects their performance and consequently leads to enhanced performance.

To substantiate the model above, Sahinidis and Bouris (2007:63) established that a significant correlation exists between training and employee attitudes such as, commitment, job satisfaction and motivation. Organisational commitment is an employee attitude which is highly important to organisational effectiveness and performance as committed employees are less likely to leave the organisation (Perryer et al., 2010:911). In line with existing studies, this study found significant relationships between two of the three perceptions of training variables and affective commitment.

6.3.1 PAT and AC

A significant relationship ($r=0.34$; $p<.05$) exists between perceived availability of training and affective commitment. This implies that the higher the perceived availability of training, the higher the affective commitment. This result is clearly in agreement with findings from previous studies (Ahmad & Bakar, 2003; Bartlett, 2001; Newman et al., 2009). Affective commitment refers to an employee's identification with, emotional attachment to and involvement with an organisation (Allen and Meyer, 1990:1). It is characterised by the acceptance of the organisational goals and values, a willingness to exert more effort on behalf of the organisation and a desire to remain with the organisation (Falkenburg & Schyns, 2007:709). In line with the

results of this study, employee training should be encouraged so as to enhance employees' affective commitment.

Availability of training has been widely demonstrated to impact positively on employee affective commitment (Ahmad & Bakar, 2003; Bartlett, 2001; Newman et al., 2009). In view of the constantly changing economic circumstances such as recession, which has led to downsizing and high unemployment rates, employees are constantly replacing job security with the promise of developing skills which can make them more employable (Aggarwal et al., 2007:34). Training has therefore become an integral part of employee psychological contract. Affective commitment has been linked to psychological contract; according to Donald and Makin (2000:86), one of the main antecedents of affective commitment is the extent to which employee expectations (psychological contract) are met by the organisation.

6.3.2 PSST and AC

Result shows a significant positive relationship between perceived supervisor's support for training and affective commitment among respondents ($r=.38$; $P<.05$). This indicates that the higher the perceived supervisor's support for training, the higher the affective commitment among respondents. ANOVA analysis also shows that, employees who perceived supervisor's support for training were significantly higher in affective commitment than those who perceived low supervisor's support for training.

Findings are consistent with previous studies (Bartlett, 2001; Newman et al., 2009). Findings suggest that the supervisors play a vital role in the formation and maintenance of an employee's affective commitment. They further demonstrate that employees are influenced by their supervisors with regard to the importance of training and these perceptions can eventually influence their participation in training (Bartlett, 2001:347).

The supervisor plays a significant role, as the employees in most instances perceive the supervisor to be the representative of the organisation personified (Rhoades et

al., 2001:825). Supervisor support for training has been linked to some organisational factors such as training effectiveness, on-the-job learning activities, personal development and career planning.

6.3.3 PCST and AC

Contrary to findings by existing studies, the correlation result shows no significant relationship between perceived co-worker support for training and affective commitment among respondents (r=.13; P<.05). This suggests that there is no relationship between co-worker support for training and affective commitment among the respondents. However, with the use of regression analysis all the predictor variables (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) jointly predict respondents' affective commitment (F (3,123) = 8.61; P<.05), with R = 0.42; R^2 = 0.17. This result suggests that all the perceptions of training (predictor) variables jointly account for 17% variation in respondents' affective commitment. In other words, all the predictor variables could only explain affective commitment of the respondents to 17 per cent, while other variables not investigated account for the remaining percentage. On the other hand, perceived supervisor's support for training significantly independently predicts affective commitment (β = .25; t = 2.44; P<.05) and perceived availability of training significantly independently predicts affective commitment (β = .21; t = 2.14; P<.05). Perceived co-worker support for training does not have significant independent contribution to affective commitment (β = .08; t = 0.90; P>.05).

6.3.4 PAT and CC

Contrary to expectation, there was no relationship established between perceptions of training and continuance commitment, as the result showed no significant relationship between perceived availability of training and continuance commitment among respondents (r=-.01; P>.05). This suggests that there is no relationship between perceived availability of training and continuance commitment among respondents. This is contrary to results from similar empirical studies (Bartlett, 2001) which found significant relationship between perceived availability of training and

continuance commitment. However Ahmad and Bakar (2003:166) found no significant relationship between availability of training and continuance commitment.

6.3.5 PSS T and CC

There was also no significant relationship established between perceived supervisor's support for training and continuance commitment among respondents (r=.07; P>.05). This suggests that supervisor's support for training does not correlate with continuance commitment among respondents.

6.3.6 PCST and CC

Findings shows mild relationship between co-worker support for training and continuance commitment among respondents (r=.17; P>.05). This suggests that there is no significant relationship between co-worker support for training and continuance commitment among respondents.

To further confirm the relationship, regression analysis using variables of perceptions of training as independent and joint predictors of continuance commitment demonstrates that that all predictor variables (perceived availability of training, perceived supervisor's support for training and perceived co-worker support for training) do not jointly predict respondents' continuance commitment (F (3,123) = 1.29; P>.05), with R=0.17; R^2=0.03.

This result suggests that all the predictor variables jointly account for 3% variation in respondents' continuance commitment. In other words, all the predictor variables could only explain continuance commitment among respondents to just 3 per cent, while other variables not investigated account for the larger remaining percentage. The result shows that perceived availability of training, perceived co-worker support for training and perceived supervisor's support for training do not have significant independent contribution for continuance commitment (β = -.04; t = -0.36; P>.05), (β = .16; t = 1.70; P>.05) and (β = .06; t = 0.52; P>.05) respectively. This may provide an explanation for the insignificant relationships between perceptions of training variable and continuance commitment. Furthermore, employee continuance

commitment is built overtime (Lumley et al., 2011:106), and findings from data analysis shows that the majority of respondents have been with their current organisations for not very long period of time.

6.4   Relationship between AC and TI

From previous chapters, affective commitment was described as the employee's emotional attachment to the organisation (Allen & Meyer, 1990:1) while turnover intentions refers to a cognitive process of thinking, planning and desiring to quit one's job (Mobley cited in Ahmad *et al.,* 2010:586). Turnover intentions have been described as the best predictor of actual turnover (Martin & Roodt, 2008:25).

Correlation analysis shows a significant negative relationship between affective commitment and turnover intentions among respondents (r=-.46; P<.05). This indicates that the higher the affective commitment, the lower the turnover intentions among respondents. Results from analysis of data indicate that just about half (52%) of the respondents feel emotionally attached to their organisation, while 61% of the respondents do not feel that the organisation's problems are theirs. This might elucidate the high rate of respondents (63%) with intentions of leaving their organisation within the next year. This finding seems to confirm the turnover culture of the South African hotel sector which has a generally high employee turnover rate of up to 36% (Grobler & Diedericks, 2009:13). Employee turnover is believed to have both cost and operational implications for the businesses (Davidson *et al.,* 2010:451).

The cost of employing and training new employees is felt more in small hotels due to financial constraints experienced by SMMEs (Ligthelm & Cant, 2002:3). Also the impact of employee turnover is particularly felt by hotels (especially the small ones due to their staff strength, which is usually smaller) as they are highly labour-intensive (Grobler & Diedericks, 2009:1) and are dependent on employee performance to remain competitive and profitable.

SMME hotels can benefit from this finding by working to enhance employees' affective commitment which has been demonstrated to be negatively related to

turnover intentions (Newman *et al.,* 2009:18). Employees that are affectively committed will display a willingness to pursue organisational goals and a desire to remain with the organisation (Rhoades, Eisenburger & Armeli, 2001:825) and reduce their intentions to leave the organisation.

6.5   Relationship between CC and TI

Correlation analysis showed that there is no significant relationship between continuance commitment and turnover intentions among respondents (r=.01; P>.05). This indicates that there is no relationship between continuance commitment and turnover intentions. These results are contrary to existing study (Newman *et al.,* 2009).

6.6   Implications of the study

With the use of various inferential statistics such as ANOVA, correlation analysis and regression analysis this study made several discoveries that have both theoretical and practical implications. Significant relationships were established between the independent variables (perceived availability of training, perceived supervisor support for training) and dependent variables of affective commitment and turnover intentions.

ANOVA analysis established that employees who perceived high availability of training were significantly lower in turnover intentions than those who perceived low availability of training. Similarly, employees who perceived high supervisor's support for training were significantly lower in turnover intentions than those who perceived low supervisor's support for training. The ANOVA analysis also demonstrated that employees who perceived high availability of training and high supervisor's support for training were significantly higher in affective commitment than those who perceived low availability of training and low supervisor's support for training. The correlation analysis also showed negative significant relationships between perceived availability of training and perceived supervisor's support for training and turnover intentions. This indicates that the higher the perceived availability of training and supervisor's support for training, the lower the intention to leave the organisation

among respondents. Finally, regression analysis demonstrated that all the independent variables jointly account for 34% variation in respondents' turnover intentions, while they account for 17% of respondents' affective commitment.

Based upon these findings, the significance of this study is inherent in its contributions to the theory and practice of human resource management in SMMEs. The relationship between training, organisational commitment and turnover intention is still novel within the South African context. Therefore this study fills a gap by contributing to the literature in the field of training, organisational commitment and turnover intention in general. Specifically it contributes to literature on training within SMMEs in the hotel sector. This is particularly significant as most studies on training within South Africa have been focused on the perspective of the business owners and management, while there exists a lack of studies on employee training among small hotels.

This study also has practical implications. Results illustrate that provision of employee training can enhance affective commitment, which can reduce employee turnover intentions within the organisation. This has important implications for the SMMEs in the hotel sector, which are characterised by high turnover rates. Training can be used as incentives to help foster commitment to the organisation. Given the current trend in training among South African SMMEs, where business owners and management are reluctant to train, findings also demonstrate that supervisors play a vital role in the development of affective commitment and reducing turnover intentions by supporting employee training. Hotels can therefore create an environment in which training is encouraged by supervisors and management, with a view to enhancing employee commitment and reducing turnover intentions. It is imperative to note that this can be achieved only when small business owners and management acknowledge the role training plays in enhancing employee commitment and helping to maximise their potential. This can lead to enhanced performance and reduction in certain behaviours which impede organisational development, such as turnover and absenteeism.

6.7   Limitations

This study focused only on the relationship between employee perceptions of training, organisational commitment and turnover intentions within 10 SMMEs in the hotel sector within the Cape Metropole Area of Western Province of South Africa. The study sought to establish the existence of a relationship but did not determine the direction of any causality between the research variables.

As a result of the dynamic nature of SMMEs, differences in their definition based on sector, there was a need to narrow the focus of this study to SMMEs within the hotel sector. The hotel sector was selected for reasons provided in the earlier chapters of this study. This study focused on small hotels within the Cape Metropole Area of the Western Cape Province of South Africa. An investigation of all the SMME hotels within the selected geographical location would have been difficult due to the absence of sample frame and might have been beyond the scope of this thesis. The sample consisted of 150 respondents drawn from across the selected 10 hotels. 127 were deemed usable for analysis, therefore a response rate of 85% was obtained. Thus the findings of this study cannot be generalised across all SMMEs in the hotel sector of South Africa.

Another potential challenge which might pose a limitation was in the area of administering of questionnaires. In order to comply with ethical considerations, approval was obtained from all participating hotels. Managers in some of the hotels requested that the questionnaires be handed to them so as to ensure monitoring of the administration and collection process without interfering with workers' job performance. Therefore, respondents were asked to submit completed questionnaires to a Desk/Admin Manager on completion of the questionnaire; this could have an impact on the responses that were received due to the nature of the variables under investigation.

6.8 Recommendations and suggestions for future study

In line with the results of the study, employee training should be encouraged so as to enhance employees' affective commitment. Training provided should be directed towards increasing employee commitment. Specific on-the-job training should be encouraged, as it provides employees with the opportunity to gain specific knowledge and skills needed for job effectiveness which has been shown to increase their commitment to the particular organisation. This will be of immense benefit to the organisation as employees with affective commitment are more committed and will remain longer with the organisation due to their emotional attachment to the organisation. Organisations can leverage on this to enhance employee's affective commitment by creating an environment where training is supported and encouraged by supervisors and senior management.

Although this study sheds light on the relationship between employee perceptions of training, organisational commitment and turnover intentions, it also raises questions for future research. A longitudinal study could be conducted to determine the correlations between these variables before and after training. Findings from the study have shown that the majority of the perceived available training is on-the-job training. Future studies could also be conducted to determine the relationships between formal and informal training and organisational commitment.

6.9 Conclusions

The purpose of this study was to examine the relationship between employee perceptions of training, organisational commitment and turnover intentions within selected SMME hotels in the Cape Metropole Area. Although similar studies have been conducted in other countries, there was a need to carry out same within the South African context.

Since the end of apartheid, the South African small business sector has been actively promoted with the aim of achieving economic development and employment generation. The country's popularity as a tourist destination is growing fast, leading to more demands for tourist accommodation, creating further opportunities in the

tourism industry for the establishment of hotels and other tourist accommodation types as well as creating more jobs. In line with its policy on small business, government has encouraged SMMEs in the hotel sector by creating an enabling environment in order to create employment opportunities and meet the demands of both the international and domestic tourist.

However these SMME hotels have been plagued with both internal and external problems which are detrimental to growth and development of the organisation. Internal problems such as skills shortages and high employee turnover in the hotel sector are believed to be a major challenge as they constitute both operational and financial cost to the business. The sector is also highly labour-intensive, depending on availability of highly skilled employees to deliver, achieve profitability and help it remain competitive.

Studies in other countries have shown that committed employees are less likely to leave the organisation (Perryer et al., 2010:911), while training has been demonstrated to enhance employees' affective commitment towards the organisation (Bartlett, 2001:335; Sahinidis and Bouris, 2007:73). Despite these findings, SMME owners in South Africa see little need for training (McGrath, 2005a:5) and small hotels are still characterised by very little training which is mainly on-the-job training (Nolan, 2002:93).

In view of the above discussion, this study sought to determine the relationship between employee perceptions of training, organisational commitment and turnover intentions in selected SMME hotels within the Cape Metropole Area of Western Province of South Africa. Findings show that almost half of the respondents perceived that their organisations do not provide training and that the majority of training provided was mainly on-the-job training. Perceived availability and perceived supervisors' support for training were significantly correlated to affective commitment. On the other hand, contrary to expectations, all perceptions of training variables showed no significant relationship with continuance commitment. To further test the relationship between organisational commitment and perceptions of training

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variables, a regression analysis was conducted on the data. Results show that all perceptions variables jointly predicted 17% of respondents' affective commitment. However, it was confirmed that all perceptions of training variables did not independently or jointly predict continuance commitment.

With regard to the relationship between organisational commitment and turnover intentions, a significant negative relationship was established between affective commitment and turnover intentions. This suggests that the higher the affective commitment, the lower the respondent's intent to leave the organisation. On the other hand, no relationship was established between continuance commitment and turnover intentions among the respondents. The relationship between perceptions of training variables and turnover intentions was also tested. Perceived availability of training and perceived supervisor's support for training showed a significant negative relationship but no relationship was established between co-worker support for training and turnover intentions. However, regression analysis showed that all perceptions of training variables jointly predicted 34% of respondents' turnover intentions.

In addition, main and interactive effects of perceived availability, perceived co-worker support for training and perceived supervisor's support for training were examined in relation to affective commitment, continuance commitment and turnover intention. Based on this it was found that availability of training and supervisor's support have direct influence on turnover intention; also that supervisor's support for training has direct influence on affective commitment; and that availability of training and co-worker support for training have interactive effect on affective commitment. It is concluded that all these factors should be considered in programmes tailored towards ensuring high levels of organisational commitment and reducing intention to quit in the organisation.

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APPENDIX A: QUESTIONNAIRE

Cape Peninsula University of Technology

RESEARCH QUESTIONNAIRE

THE RELATIONSHIP BETWEEN EMPLOYEE PERCEPTIONS OF TRAINING, ORGANISATIONAL COMMITMENT AND ITS IMPACT ON TURNOVER INTENTIONS: A CASE STUDY OF SMMEs IN THE CAPE METROPOLE AREA.

DEAR RESPONDENT,

The questionnaire attached is for a research investigation in partial fulfilment of the requirements for the award of a Master's degree (M.Tech) in Human Resource Management at the Cape Peninsula University of Technology in Cape Town

This research study seeks to determine the importance of training as a tool for enhancing organisational commitment and reducing turnover amongst employees within the SMME sector, more particularly in the hotel industry.

The questionnaire is completely anonymous and confidential and will not require you to reveal your personal identity or your company's operational details. This study is purely for academic purpose and not for any government or company investigation. The information supplied by you will be kept confidential and will be used for the purpose of the research investigation only.

For further inquiries, you may contact me on 0718742650 or via email joy.alhassan@gmail.com. You may also contact my supervisor, Diane Bell on 021-460 8039 or via email belld@cput.ac.za.

The questionnaire should take approximately 8 - 10 minutes to complete. Thank you for agreeing to participate in this survey.

Yours sincerely,

JOY ALHASSAN

SECTION ONE

INSTRUCTION: Kindly read each statement carefully and indicate your level of agreement by marking with an **X** in the appropriate box. Please give only one response for each statement. Ratings **1** indicates that you strongly disagree with a statement and ratings **4** indicates that you strongly agree with the statement.

	STATEMENTS	1 Strongly Disagree	2 Disagree	3 Agree	4 Strongly Agree
1.	I often think of quitting my present job				
2.	I may leave this company and work for another company in the next year				
3.	I plan to stay in this company to develop my career over a long period of time				
4.	I may not have a good future if I stay with this organisation				
5.	I really feel that this organisation's problems are my own.				
6.	I do not feel like "part of the family" at this organisation.				
7.	I do not feel "emotionally attached" to this organisation.				
8.	I do not feel a strong sense of belonging to my organisation.				
9.	Too much in my life would be disrupted if I decided I wanted to leave my organisation now				
10.	I feel that I have too few options to consider leaving this organisation				
11.	One of the few serious consequences of leaving this organisation would be the scarcity of available alternatives				
12.	If I had not already put so much of myself into this organisation, I might consider working elsewhere				
13.	My organisation provides its employees with good opportunities to undertake in-house job-specific training				
14.	My organisation provides a good environment for new recruits to learn job-specific skills and knowledge				
15.	My organisation provides its employees with good opportunities to learn general skills inside the organisation which may be of use to me in my future career				

STATEMENTS		1 Strongly Disagree	2 Disagree	3 Agree	4 Strongly Agree
16.	My organisation provides employees with knowledge inside the organisation which may be of use to me in my future career				
17.	My organisation provides its employees with good opportunities to undertake general training programmes and seminars outside of the organisation				
18.	My organisation provides assistance for its employees to take management training and development courses externally at educational institutions				
19.	My co-workers resist my efforts to apply new knowledge or skills on the job				
20.	My co-workers are reluctant to give advice				
21.	I am comfortable discussing my skill weaknesses with my manager				
22.	My supervisor shares information influencing my career plans				
23.	My supervisor supports my participation in training and development programmes				
24.	My supervisor gives me coaching and guidance to help achieve my work objectives				
25.	My supervisor believes advising is one of his/her major job responsibilities				
26.	My supervisor believes training is one of his/her major job responsibilities				
27.	I do not hesitate to tell my supervisor of a training need				
28.	My supervisor makes sure I get the training and development needed for job effectiveness				
29.	My supervisor provides me with specific feedback on my job performance				

SECTION TWO - DEMOGRAPHICAL INFORMATION

Q1.	What is your gender?	
	Female	1
	Male	2

Q2.	What is your age?	
	Under 20 years	1
	21 - 30 years	2
	31 - 40 years	3
	41 - 50 years	4
	51 or more	5

Q3.	How long have you been employed by your current organisation?	
	Less than 1 year	1
	2 – 4 years	2
	5 – 9 years	3
	10 – 14 years	4
	15 years or more	5

Q4.	Please indicate your highest level of educational qualification	
	Primary School	1
	Matric	2
	National Certificate	3
	National Diploma	4
	B Degree	5
	Honours	6
	Master's Degree or above	7

APPENDIX B: REQUEST LETTER TO CONDUCT RESEARCH

CAPE PENINSULA UNIVERSITY OF TECHNOLOGY
PERMISSION LETTER

THE RELATIONSHIP BETWEEN EMPLOYEE PERCEPTIONS OF TRAINING, ORGANISATIONAL COMMITMENT AND THEIR RELATIONSHIP ON TURNOVER INTENTIONS: A SURVEY OF SELECTED SMMEs IN THE CAPE METROPOLITAN AREA

Dear Sir/Madam,

REQUEST FOR PERMISSION TO CONDUCT RESEARCH WITHIN YOUR ORGANISATION

I am a Human Resource master's degree student at the Cape Peninsula University of Technology in Cape Town. I am currently working on my thesis, which seeks to explore the relationship between employee perceptions of training and organisational commitment and how this impacts on employee turnover intentions within small businesses in the Cape Metropole Area.

I wish to solicit your permission to carry out this research study within your organisation. This will entail gathering information from a few employees by filling out a questionnaire. The information supplied will be treated as highly confidential and will not require you or your employees to reveal your personal identity or that of your organisation. This research study is purely for academic purpose and not a government or company investigation. The results of this research study will be submitted in fulfilment of the requirements for a master's degree in form of a thesis.

Your consent to enable me carry out this research study in your organisation, would be greatly appreciated. The information gathered through this research will hopefully contribute to the advancement of employee training within SMMEs in South Africa.

For further inquiries, you may contact my supervisor, Diane Bell on 021-460 8039 or via email belld@cput.ac.za.

Yours sincerely,

Joy Alhassan

APPENDIX C: APPROVAL LETTER TO CONDUCT RESEARCH

LETTER OF CONSENT

I have gone through the above information and I am satisfied with the terms and conditions, therefore I

RODNEY HARMER ----------- In my capacity as-- _GENERAL MANAGER_

Of _Kings in Cape Hotel_ --

Agree that Ms Joy Alhassan may conduct the aforementioned study within this organisation.
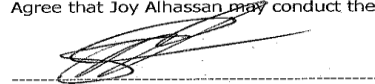
_____ , _14/2/11_

Signature /Date

APPENDIX D: APPROVAL LETTER TO CONDUCT RESEARCH

LETTER OF CONSENT

I have gone through the above information and I am satisfied with the terms and conditions, therefore I
Susan Peinsloo ----------------- In my capacity as---- _F/Office Manager_
Of ---- _Cape Diamond Hotel_ --

Agree that Joy Alhassan may conduct the aforementioned study within this organisation.

Signature /Date

APPENDIX E: APPROVAL MAIL

TUDOR HOTEL

Greenmarket Square, Cape Town, 8001, South Africa

Hi Joy

No problem. You can go ahead.

Best regards

Faye

[Quoted text hidden]
[Quoted text hidden]

JOY ALHASSAN <joy.alhassan@gmail.com>
To: Faye von Stein <info@tudorhotel.co.za>

Tue, Feb 15, 2011 at 10:53 AM

Dear Faye,

Thank you for your consent. Much appreciated.

Best regards

Joy
[Quoted text hidden]

JOY ALHASSAN <joy.alhassan@gmail.com>
To: 210185368 <210185368@cput.ac.za>

Tue, Feb 15, 2011 at 10:58 AM

[Quoted text hidden]