
By

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ABSTRACT

This research set out to investigate employee turnover at Transaction Payment Solutions (Private) Limited (TPS) and its impact on TPS’ competitiveness. The objectives of the research were to identify the causes of employee turnover at TPS from 2009 to 2012, to assess the employee retention strategy and to assess the impact of employee turnover on competitive advantage. The case study has both qualitative and quantitative aspects and is based on data from nine (9) out of the 15 questionnaires sent out to former TPS employees, 10 out of 18 questionnaires sent out to TPS’ customers and six (6) out of eight (8) scheduled interviews with the TPS’ managers.

The research revealed that employee turnover is a cause of concern at TPS as it is the core and critical staff that are leaving. From the study the top four (4) causes of employee turnover include no room for advancement, stressful work environment, lack of job security and seeking new challenges. The levels of employee engagement are generally low and employee retention and attraction have been difficult, registering little success. Retention efforts are largely sporadic and non-systematic in nature, with a number of retention measures in the pipeline.

Competitive advantage and its sustainability have not been spared either, as customer service and project delivery capacity (both old and new projects) have been seriously impacted upon. Competitive advantage has been assessed through proxy measures such as issues handover and takeover, improvement or decline in service turnaround times during the period under study. Recommendations include providing a myriad of competitive and attractive packages that recognise outstanding employees, licensing and outsourcing solutions, conducting employee surveys, management development programmes and crafting strategies for embedding employees. Future research needs to explore the effects of holding company culture, if any, on retention of key employee subgroups within a subsidiary organisation and subsequent competitive advantage impact.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATMs</td>
<td>Automated Teller Machines</td>
</tr>
<tr>
<td>CEMEA</td>
<td>Central Europe, Middle East, Africa</td>
</tr>
<tr>
<td>CABS</td>
<td>Central African Building Society</td>
</tr>
<tr>
<td>EWZ</td>
<td>Econet Wireless Zimbabwe Limited</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organisation for Standardisation</td>
</tr>
<tr>
<td>MBA</td>
<td>Masters in Business Administration</td>
</tr>
<tr>
<td>POS</td>
<td>Point of Sale</td>
</tr>
<tr>
<td>QMS</td>
<td>Quality Management System</td>
</tr>
<tr>
<td>R-BV</td>
<td>Resource-Based View</td>
</tr>
<tr>
<td>RBZ</td>
<td>Reserve Bank of Zimbabwe</td>
</tr>
<tr>
<td>TM</td>
<td>Thomas Meikles</td>
</tr>
<tr>
<td>TPS</td>
<td>Transaction Payment Solutions (Private) Limited</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>UPS</td>
<td>United Parcel Service Incorporated</td>
</tr>
<tr>
<td>US$</td>
<td>United States of America Dollar</td>
</tr>
<tr>
<td>UZGSM</td>
<td>University of Zimbabwe Graduate School of Management</td>
</tr>
<tr>
<td>VISA</td>
<td>Visa International Services Association</td>
</tr>
<tr>
<td>VRIN</td>
<td>Valuable, Rare, Inimitable and Non-substitutable</td>
</tr>
<tr>
<td>ZIMRA</td>
<td>Zimbabwe Revenue Authority</td>
</tr>
</tbody>
</table>
CHAPTER ONE: INTRODUCTION TO DISSERTATION

1.0. INTRODUCTION TO THE STUDY

This study focuses on employee turnover at Transaction Payment Solutions (Private) Limited (TPS) and the impact it is having on TPS’ competitiveness. It concerns a business’ most important asset, its people (Khatri, Gupta, Gulati & Chauhan, 2010). Employee turnover is a complex phenomenon and in some instances employee turnover is catastrophic to the organisation (Bano, Khan, Habib, Rehman & Humayoun, 2011). This makes the understanding of employee turnover and its management a key priority and prerequisite for organisations. This is compounded by the fact that employee turnover creates additional costs (Zyl, 2011). Given the costs and effects of employee turnover and the complexity it posses, the understanding of its underlying causes, is key for TPS to manage it. In some instances failure to comprehend the reasons behind employee turnover result in the creation of non-beneficial costly practices, that fail to arrest employee turnover (Bano, Khan, Habib, Rehman & Humayoun, 2011).

Despite the important role of the electronic payments industry in the Zimbabwean economy, labour turnover in the electronic payments industry seems to be scarcely researched. Valuable employee turnover is detrimental to smaller organisations, like TPS as it results in loss of knowledge and specialised skills, difficult to replace. Knowledge loss poses a threat to knowledge transfer (Linhartova & Urbancova, 2011). The studying of employee turnover is vital because of the heightened competition in the global village and the fact that products and services churned out by organisations are the result of employees’ strategies (Mbah & Ikemefuna, 2012). Within the service industry research, emphasis has been on either linking productivity to profitability and service quality and profitability (Tsikriktsis, 2007) and hence this study will bridge the gap by explaining the employee turnover impact on
competitiveness in the electronic payments industry. Low employee turnover is believed to be a source of competitive advantage (Kuria, Alice & Wanderi, 2012).

Despite the seeming stabilisation of the Zimbabwean economy, in 2012, a number of organisations are still grappling with the challenge of operational costs resulting in a number of employees going for months without pay and losing their jobs, (Nguwi, 2013). Additionally, a few organisations have been recruiting employees, with the bulk being largely the replacement of critical employees who would have sought employment elsewhere. This situation demands a revolutionary approach, requiring both parties work together for win-more, win-more situations. A survey showed that with globalisation, 40% of the 33,000 employers spread over 23 countries are finding it difficult to get qualified candidates (Lockwood, 2006).

A survey showed that in a career, an average Zimbabwean changes employers thrice and the average tenure per employer is seven (7) years, while for a typical manager the tenure is between five to nine years (Nguwi, 2011). The highest occurrence of jobs switching is most likely in the age ranges of 30-39 and 40-49 with 43.90% and 37.30% respectively having worked for between three (3) and four (4) organisations (Nguwi, 2011). This is summarised in table 1.1 below.

Table 1.1: Employee turnover by age

<table>
<thead>
<tr>
<th>Age group (years)</th>
<th>Senior/ Middle Management</th>
<th>Specialized Staff</th>
<th>Support Staff</th>
<th>Lower level employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;29</td>
<td>27.90%</td>
<td>33.20%</td>
<td>30.50%</td>
<td>31.20%</td>
</tr>
<tr>
<td>30-39</td>
<td>50.40%</td>
<td>43.20%</td>
<td>41.40%</td>
<td>40.60%</td>
</tr>
<tr>
<td>40-49</td>
<td>17.90%</td>
<td>20.10%</td>
<td>27.30%</td>
<td>25.00%</td>
</tr>
<tr>
<td>50+</td>
<td>3.80%</td>
<td>3.50%</td>
<td>0.80%</td>
<td>3.10%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

(Source: Nguwi, 2011).
1.1. BACKGROUND TO TPS

TPS, formerly known as Digifone (Private) Limited was founded in 1992 in order to provide transaction automation systems, mainly targeted for the financial services sector (TPS Profile, 2012). TPS is a subsidiary of Econet Wireless Zimbabwe Limited (EWZ), has a staff compliment of 31 employees and is regulated by the Companies Act [Chapter 24:03]. Figure 1.1 shows how TPS fits into Econet Wireless Zimbabwe Limited.

![Econet Wireless Global Organogram](Source: Own work)

1.1.1. Vision

To be a leading player in providing innovative transaction delivery and payments solutions.

1.1.2. Mission

We promise to deliver the payment solutions and professional services that bring your customers closer to you.
1.1.3. Transaction Payment Solutions Business Focus

TPS’ business purpose is to provide solutions that automate transactions at the point of service and to authenticate, deliver, authorise and process them through the various steps forming the transaction cycle. The TPS’ range of solutions are card management, Automated Teller Machines (ATMs) driving, transaction switching, internet payments, Point of Sale (POS) management, mobile payments and interfaces with card associations like American Express, Maestro and VISA. TPS develops its own POS and value-added solutions like prepaid (water, electricity, airtime) and bill payments. In order to remain competitive, maintain and increase customer base, TPS needs talented skills.

In 2011, TPS was authorised by the Ministry of Finance to provide fiscal printers. These are devices with a capacity to record tax amounts as required by the Zimbabwe Revenue Authority (ZIMRA). Despite the fiscal printers being a cash cow for TPS in 2012, this study will not focus on the fiscal solutions, as it is more of a project, but on TPS’ core, which is electronic payments solutions. The fiscal devices sales have already started to decline owing to market saturation.

1.1.4. Customers

The Zimbabwe banking sector, which is TPS’ target market, comprises 22 financial institutions, comprising of 16 commercial banks, two (2) merchant banks, three (3) building societies and one (1) savings bank (Gono, 2013). TPS’ customer footprint is across Africa. In Zimbabwe, TPS has implemented and is supporting payment solutions at Agribank, CBZ Bank, Kingdom Bank, Standard Chartered Bank, FBC Bank, TN Bank, Interfin Bank and Royal Bank. Interfin was placed under curatorship, while Royal bank went into compulsory liquidation. In addition to these sites, there are other customers across Africa where TPS has supplied and is supporting payment solutions. These include Zambia National Commercial Bank, Family Bank
(Kenya), Lesotho Post Bank, Global Trust Bank (Uganda), Centenary Rural Development Bank (Uganda), Indebank (Malawi), Barclays Africa, FDH (Malawi), Seychelles Savings Bank, Bank of Baroda (Seychelles), UT Bank (Ghana) and Energy Bank (Ghana)

1.2. INDUSTRY ANALYSIS

1.2.1. Electronic Payments Industry

Money can be carried in a number of forms for example, plastic money, electronically or pure cash form (Gbadeyan & Akinyosoye-Gbonda, 2011). Electronic payments are a section of e-commerce, enabling electronic buying and selling of goods and services using electronic payment instruments (tools and procedures for payment processing) (Raja, Velmurgan & Seetharaman, 2008). Ozuru et al (as cited in Gbadeyan & Akinyosoye-Gbonda, 2011) stress that “The importance of electronic payment system in any country can never be over emphasized, due to the dramatic transformation in technological advancements that is being experienced by the global financial industry” (p.109).

1.2.2. Electronic Payments Landscape

Gbadeyan and Akinyosoye-Gbonda (2011) point out that while in Africa, it is still mainly cash-based, some developed countries have adopted e-money as legal tender for example in Singapore, since 2008 due to technological advancements. Mbogo (2010) notes that mobile phones have impacted new payments methods seeing they can be used anytime and anywhere. The prevalence of the use of cell phones as value transfers has been prevalent due to increased coverage and phone ownership (Vincent & Cull 2011). Visa and MasterCard’s survey uncovered that mobile telephony companies would be a major threat to traditional banks as it is a convenient delivery channel (Wonglimpiyarat, 2007).
Lassignardie, Barton and Desmares (2011) highlight that as of 2009; the use of cash in developing countries was declining, with 22% using non-cash payments in CEMEA (Central Europe, Middle East and Africa). In the developed countries like the United States prepaid cards are the mainstream means of payments, increasing from 3.3 billion in 2006 to 6 billion by 2009 (Lassignardie, Barton & Desmarès, 2011). The use of electronic payments (e-payments) and mobile payments (m-payments) is increasing world-wide, with global figures standing at 22.5 billion transactions valued at €886 billion in 2010 (Lassignardie, Barton & Desmarès, 2011).

1.2.3. Electronic Payments Instruments

Electronic delivery of cash is achieved through mechanisms like cards (debit, credit, smart), mobile phones or Point-of-Sale (POS) devices and automated teller machines (ATMs) (Vincent & Cull, 2011). Card usage is growing and it is the most widely used non-cash payment method, while contactless; internet and mobile are other payments technologies pushing the cashless society agenda (Lassignardie, Barton and Desmarès, 2011). Meng and Xiong (as cited in Raja, Velmurgan & Seetharaman, 2008) grouped payments systems into cash–like and cheque-like as shown in figure 1.3 below.

![Figure 1.3: Classification of Electronic Payment Systems Based on the Exchange Model. (Raja, Velmurgan and Seetharaman 2008).](image-url)
1.2.4. Industry Competitive Structure

TPS operates in a highly fragmented industry, with multiple players of different sizes. However, TPS and its main rival in Zimbabwe, EFT Corporation / Zimswitch control the bulk of the market share, with the other players competing for the smaller share of the market. There is no scope for collusion between the two leading players because TPS and EFT are both Resellers of the same switching solution, Postilion and the Reseller Agreements do not allow each company to interfere into another’s account or customers. Attempts to poach each other’s talented staff are prevalent between the two players.

1.2.5. Key Success Factors

The key success factors in the electronic payments industry include access to skilled labour especially software engineers and software developers, differentiation through excellent solution delivery and customer support services and relentless innovation in the face of shorter technology life cycles.

1.2.6. Competitive Rivalry

Porter’s five (5) forces model is utilised by the researcher to assess the intensity of competition in the electronic payments industry that TPS operates in. This helps to evaluate the nature of competitive rivalry in an industry, its attractiveness or profitability and the current strengths and position of the organisation or future position through analysis of five (5) forces direction (Downey, 2007). Furthermore it helps to determine the locus of power in an industry, helping organisation to avoid mistakes and take advantage of strengths direction (Downey, 2007).

1.2.6.1. Nature of Rivalry

Competition comes from both local and international companies. The major competitor in Zimbabwe is ZimSwitch and its Technical Partner, EFT Corporation. ZimSwitch offers interoperability among member banks. EFT Corporation and TPS
supply the same switching solution, Postilion as value added resellers. International competitors supplying payment solutions include CR2, InterSwitch (Nigeria), Euronet, M2M (Morocco), Net1 (South Africa), African Resonance (South Africa) and BPC Banking Technologies (Russia).

Barriers to entry for new entrants in some segments of the market are high and competition has locked the customers into long term relationships and exclusive arrangements with vendors. It therefore requires increased resource investment to overcome this challenge. EFT Corporation also partners with the Central African Building Society (CABS) to launch solutions. ZimSwitch and EFT Corporation have been working on a number of new solutions over the past few years and have since launched them (Techzim, 2012). Examples include ZimSwitch Mobile, ZimSwitch Instant Payment Interchange Technology (ZIPIT), ZIPIT to Bank, ZIPIT to Mobile and vPayments.

1.2.6.2. Potential Entrants

Payment solutions usually tie the supplier and the customer into long term relationships for example Agribank has been a TPS customer since 1999. The reason is that once a bank invests in an electronic payments platform, which is a mission critical system, such systems are rarely changed, unless there is a serious setback, resulting in the bank’s customers being deprived of certain services. The systems are built up over time as more functionality is added onto the base system. The long term relationship is actually a barrier to entry. For POS solutions, the TPS application is signed and no third party can just supply hardware as the software is locked.

1.2.6.3. Power of Buyers

The offers are almost standardised and the major differentiator is services and support. Buyers exert some significant power and they use their muscle to negotiate
discounts, reducing the margins TPS makes. This is somewhat balanced by the long term relationship that the customer is tied into due to the nature of payment solutions. The internet has also increased the power of buyers as they can search on the internet to compare pricing and latest offerings. In some instances, customers demand to know your margins, before they can purchase from you, especially the ones TPS have long term relationships with.

1.2.6.4. **Power of Suppliers**

There are a number of suppliers of payment solutions and all are substitutes, though not perfect substitutes. In Africa, Postilion is the leading electronic funds switching platform, while the leading POS brands are VeriFone, Ingenico and Hypercom. Suppliers also wield greater influence as the principals of solutions supplied by TPS. Due to buyer power and intensity of competition, they do offer discounts and other concessions. In some instances, the suppliers approach the end-user directly thereby creating channel conflict.

1.2.6.5. **Substitutes**

There are a number of substitutes for the solutions offered by TPS, though not perfect substitutes as the functionality differs, different designs and pricing. The other issue is that substitution is not automatic as there is lead time for proof testing new solutions through the use of thorough system and user acceptance testing, before replacing one solution with a substitute. The switching costs are high and financial institutions tend to use the same product even though there are competitor offerings, hence the interest on employee stability for business stability.

1.2.7. **TPS Strategic Analysis**

The researcher uses the Mckinsey’s 7 S model for strategic analysis of TPS.
1.2.7.1. **Strategy**

TPS tries to follow the collaborative approach to strategy formulation, where managers consult with their subordinates before and after the strategy sessions, though this has not been consistent. This is despite the TPS staff compliment being small. The industry that TPS operates in is not a labour intensive industry, so it is not a huge task to consult staff at all levels. TPS’ strategy involves differentiating itself from competition through excellent service delivery. The advantage of this approach is that it enables buy-in from the staff and managers. The reasoning behind this is that in a number of instances solutions or offerings may be similar in the eyes of the customer and as such the game is won on service differentiation.

1.2.7.2. **Structure**

TPS follows a functional structure, with the following departments: Sales and Marketing, Technical Services, Finance and Administration. The absence of the human resources function in the structure actually poses some challenge to TPS with regards to human resources related issues. The TPS organogram is shown in figure 1.4.
1.2.7.3. Systems

TPS’ operations are guided by the ISO9001:2008 Quality Management System (QMS). Its procedures and processes are crafted around the QMS and examples include procedures for sales related activities, services related process and for internal audit. These reflect the way the operations of the organisations are to be executed. A performance management system is being set-up.

1.2.7.4. Style

The TPS managers have adopted the open door policy. They endeavour to create a pleasant working environment and opportunity for growth.

1.2.7.5. Staff

Line managers fulfil the human resources management role. Those staff members, who attain five years with the organisation, are given a certificate as a way of recognising them. In the past, one would get a month’s salary and a certificate. TPS
has been losing skills, mainly the technical resources to neighbouring South Africa. In some instances, TPS has tried strategic poaching of technical resources with limited success. In 2011, TPS undertook a voluntary retrenchment exercise to manage its head count, in overstaffed areas.

A summary of the employee turnover from 2009 to current is shown in table 1.2 below. Absolute figures considered in isolation may not mean much, especially in the absence of benchmarking data on the industry trends. The trend represented is in line with Nguwi (2013)’s finding that a number of organisations are still grappling with the challenge of operational costs and therefore a few organisations have been recruiting new employees, but only the replacement of critical employees who would quit.

**Table 1.2: Employee turnover at TPS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Head count</th>
<th>Employee Turnover</th>
<th>New Staff Replacement</th>
<th>New Staff Additions</th>
<th>Lateral transfers</th>
<th>Employee Turnover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2009</td>
<td>28</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>10.71</td>
</tr>
<tr>
<td>December 2010</td>
<td>43</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4.65</td>
</tr>
<tr>
<td>December 2011</td>
<td>38</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>December 2012</td>
<td>29</td>
<td>5</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>17.86</td>
</tr>
</tbody>
</table>

**Source: TPS internal records**

Based on the Khatri, Gupta, Gulati and Chauhan (2010) employees classification categories provided in the table 1.3 below, some of the employees leaving are strategic and core.
Table 1.3: Employee Classification

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Employee role affects the organisation's ability to realise its strategy</td>
</tr>
<tr>
<td>2</td>
<td>Core Key for strategy execution</td>
</tr>
<tr>
<td>3</td>
<td>Support Staff roles, which can be outsourced</td>
</tr>
<tr>
<td>4</td>
<td>Noncore Their role and skills are out of sync with the organisation's strategy</td>
</tr>
</tbody>
</table>

Source: Khatri, Gupta, Gulati & Chauhan, 2010.

Software engineers implement and support mission critical systems at banks, which require being available 24 x 7 x 365. Unscheduled downtime is not an option for banking institutions as it is costly, in terms of lost revenue and can result in erosion of customer confidence. Without the engineers, TPS will not be able to guarantee the 99.999% availability promised in Service Level Agreements (SLAs). This results in breach of contract and customers may sue TPS, citing breach of contract and that is the last thing that TPS would need, as reputation once damaged can be difficult to repair.

1.2.7.6. Shared Values

The TPS values are innovation, professionalism, teamwork, integrity and commitment. TPS seems to be slow to respond to changes in the environment and individuals align more with their function than the organisation as a whole, despite the encouragement of units to work together. Some staff members are willing to go the extra mile for example putting in extra hours, while others only work normal working hours. Compensation is based on performance and the current policy is being fine tuned. There is need to nurture a culture that all staff members identify with and cherish, that enables TPS to effectively implement its strategies.

1.2.7.7. Skills

These are capabilities that are required by the intervention/organisation for effective execution. The industry that TPS operates in requires technical skills like software development for competitive advantage; however skills retention has been a major
challenge. Technical resources are provided with training for the products that TPS provides. Other employees are rarely trained and there is lack of training initiatives for example management development programmes. Most of the managers either have a Master of Business Administration or are working towards achieving one. Training and development is largely an individual initiative.

1.2.8. PEST Analysis

A PEST analysis is useful framework for analysing the macro-economic factors namely, Political, Economic, Social, and Technological (Koumparoulis, 2013). A PEST analysis scans an organisation’s external environment and helps to evaluate opportunities for growth and mapping the organisation’s business direction (Downey, 2007). A PEST analysis relates the organisation to its competitive environment (Koumparoulis, 2013). The relevance of the PEST factors vary according to different industries and businesses direction (Downey, 2007).

A PEST analysis enables the organisation to adapt to the dynamic environment for continued existence and above all succeed through managing the forces of change (Koumparoulis, 2013). It is advisable to conduct a PEST analysis before a SWOT analysis, as the PEST factors are either opportunities or threats in a SWOT analysis direction (Downey, 2007). The factors influence an organisation’s demand and supply, as well as operating costs (Koumparoulis, 2013).

Koumparoulis (2013) argues that, through a PEST analysis an organisation can take advantage of opportunities, plan in advance ways of mitigating threats in their strategic planning efforts. Kotler (as cited in Koumparoulis, 2013, p.32) believes that “PEST analysis is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations”. Thompson, (as cited in Koumparoulis, 2013) points out that economic factors heavily impact on success and profitability of an organisation, through regulating capital supply, demand and costs.
Political factors influence economic factors, either directly or indirectly, through creation of either threats or opportunities for example increased government spending buoying capital markets (Koumparoulis, 2013). Technology is vital for creation of competitive advantage, creating new industries in some instances, while making some business models irrelevant in other instances as a result of technological breakthroughs (Koumparoulis, 2013).

Some of the challenges in the environment necessitating the realignment of the TPS resources are discussed below. Agribank, a TPS customer is on targeted sanctions, thereby impeding the provision of some payments solutions to the bank. A challenge being experienced in Zimbabwe that is negatively impacting on banks includes indiscipline in the financial sector. This resulted in Interfin Bank, which is a TPS customer being placed under recuperative curatorship on 11 June 2012 for a period of six months. Following the failure to meet stipulated minimum capital requirements, Royal Bank voluntarily surrendered its licence in line with section 14(4) of the Banking Act [Chapter 24:20] (RBZ, 2012). This shrinks the TPS customer list and also increases the competitive rivalry within the sector.

The increase of the minimum capital requirements of banking institutions by the Reserve Bank as shown in Table 1.4 has implications for the banking sector and the number of players. It is unclear how many players meet the adequate capitalisation requirement. It is concomitantly likely to result in a strong and efficient banking system that is resilient and also the inevitable consolidation of banking institutions. Mergers are likely, resulting in a shrinking market, increasingly the competitive rivalry.
Table 1.4: New capital requirements

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Minimum Capital</th>
<th>New Minimum Capital Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks</td>
<td>$12.5 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>Merchant Banks</td>
<td>$10 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>Building Societies</td>
<td>$10 million</td>
<td>$80 million</td>
</tr>
</tbody>
</table>

*Source: Adapted from Gono (2012, 51).*

The transacting public’s confidence in the banking sector is eroded resulting in the growth of a culture of preferring to hold and transact in cash as opposed to using the banking system. This fuels the informalisation of the economy. The intermediary role of banks is seriously impaired and this has a ripple effect on the demands for payment solutions. Despite efforts by the various stakeholders to promote electronic means of payments, for example, cards, there is still high usage of cash, instead of electronic means of payment.

A number of financial institutions have invested in card payment solutions, mobile and internet banking, in a bid to provide alternatives to the transacting public. As a result, during the first half of 2012, all payment streams experienced increases in terms of volume and value. The unclear government policy and varied views on major policy issues relating to implementation of such initiatives as the Indigenisation and Empowerment Act have also impacted negatively on the banking sector with regards to confidence within the sector. As such some banks are reluctant to invest in new payment solutions as a result of the uncertainty.

The combination of low deposits rates and high bank charges has contributed to low savings, which are largely short term in nature. This is despite the 31.8% deposits increase from $3.05 billion as at 31 December 2011. Short term transitory deposits are negatively impacting on the intermediary role of banks. It is estimated that US$2 billion is in the informal economy, outside formal banking system, compromising
banks’ capacity to mobilise investible funds. This in turn has an effect on the demand for payment solutions and capacity increases.

1.2.9. **SWOT Analysis**

A SWOT analysis exposes strategic gaps, helping manage threats and opportunities (Johnson, Scholes and Whittington, 2009). A SWOT analysis helps to understand the strengths, weaknesses, opportunities and threats in a business endeavour (Downey, 2007).

1.2.9.1. **Strengths**

The TPS’ experience and expertise in the transaction and financial services sector spans over 20 years, compared to less than 10 years for its major competitor. TPS understands end-to-end payments solutions from transaction switching, host interfaces, environmental software, ancillary hardware and POS hardware and software. TPS also has long established and excellent relationships with all of its key suppliers, namely ACI Global Limited, VeriFone, Ingenico and Stratus with a legacy of experience in their products. Being an ISO9001:2008 registered company is testimony to TPS commitment to quality. TPS is part of Econet Wireless and therefore has access to the financial resources required to implement projects efficiently and reliably.
1.2.9.2. Weaknesses

TPS has no reference site for a working integrated till solution and also a similar platform to ZimSwitch allowing inter-operability among member banks. TPS lost the managed service opportunities for Tetrad and ZB Financial Holdings to ZimSwitch as it does not have such infrastructure. There appears to be limited new products and no clear new product development strategy as evidenced by lack of product champions. Unlike its major competitor, EFT Corporation, which has a partner bank that is used as a test bed to launch new solutions, TPS has no partner bank to pilot test its products.

1.2.9.3. Opportunities

There is increasing demand for innovative payment solutions as the confidence in the banking sector increases. The upsurge in Mobile Money Transfer (MMT) services like Econet Wireless’ EcoCash and the need to integrate this with bank systems, enabling the participating bank’s ATMs and POS devices to become EcoCash agents for example is a major opportunity. Despite losing some integrated till solutions for retail outlets like OK and TM, there is still an opportunity to supply POS devices for banks to deploy in high value outlets, like hotels and resorts and other retail outlets without capacity to install infrastructure for integrated till solutions.

1.2.9.4. Threats

EFT Corporation, the ZimSwitch technical partner is using ZimSwitch to launch a variety of products, which TPS do not have and require longer lead times to develop and launch. This also increases the barriers to entry in some markets as some competition have exclusive long term relationships with vendors. The increase in minimum capital requirements may result in merging of banks and shrinking of the market, increasing the scope of competitive rivalry. The loss of skilled systems engineers who have years of experience in implementing payment solutions in Africa is a major threat, as the major competitor seem not to be experiencing this problem.
1.3. STATEMENT OF THE PROBLEM

The study seeks to investigate why employees are quitting Transaction Payment Solutions (TPS) (Pvt) Limited as described in section 1.2.6.5 above and the impact such employee turnover has on TPS’ competitiveness. The level of employee turnover is posing a live threat of paralysing operations in some departments and service delivery.

1.4. RESEARCH OBJECTIVES

i. To identify the causes of employee turnover at TPS from 2009 to 2012;
ii. To assess the TPS employee retention strategy;
iii. To assess the impact of employee turnover on competitive advantage; and
iv. To provide recommendations on how to address the employee turnover challenge based on research results.

1.5. RESEARCH QUESTIONS

i. What are the causes of employee turnover at TPS?
ii. (a) What is the TPS retention strategy?
   (b) How effective are the TPS practices for retaining employees versus its competition?
iii. How has the employee turnover impacted on the TPS’s competitiveness?
iv. What recommendations can be drawn based on the results?

1.6. RESEARCH PROPOSITION

The causes of employee turnover at TPS are largely work-related factors as opposed to personal factors, which have negatively impacted on TPS’ ability to compete and also to sustain its competitive advantage for the period 2009 to December 2012.
1.7. JUSTIFICATION OF RESEARCH

The research is significant in the following ways:

1.7.1. TPS’ management

The findings of the study will influence TPS management’s efforts in crafting strategies that will help curb employee turnover, withstand competition, be able to dictate the rules of the game and restore confidence in the market, with regards to delivering innovative and quality solutions and support timeously, through understanding its underlying causes.

1.7.2. The Researcher

The study is important as it expands the researcher’s knowledge of the employee turnover and competitive advantage. This research will also help the researcher to attain the Masters degree in Business Administration (MBA) with the University of Zimbabwe’s Graduate School of Management (UZGSM).

1.7.3. The University of Zimbabwe and the academic community

Through this study, the researcher expects to bridge the gap between theory and practice thereby making a contribution to the body of knowledge with regards to the employee turnover and competitive advantage.

1.7.4. Professionals

Employee turnover is an industry-wide challenge and professionals in industry and commerce who do have not have knowledge of how to deal with it will also benefit from knowledge generated, albeit with adaptation to their industry and circumstances.
1.8. SCOPE OF RESEARCH

This case study research is being conducted in Harare, Zimbabwe and the period covered by the study is from February 2009 to December 2012. It is based on the case study of Transaction Payment Solutions (Pvt) Limited. The period prior to February 2009 has been excluded because the researcher believes that this may distort the results, due to the unique nature of the environment, especially during the period of economic instability. The target population is the staff within Transaction Payment Solutions, the former TPS’ staff who have left and who make up the employee turnover population and the TPS customers.

1.9. ETHICAL ISSUES

Savin-Baden and Major (2010) stress the need for a researcher to rely on their own personal values and virtues to effectively deal with ethical issues in research. In line with the need to seek ‘ethical approval’ prior to embarking on any form of practical investigation (Savin-Baden & Major, 2010), the researcher sought and got approval from both the UZ GSM and case under study.

Marczyk, DeMatteo and Festinger (2005) argue that voluntary consent is only possible where research participants are able to consent free from pressure. The researcher explained the benefits such as solutions to the problem at hand and involved in participating in the research to the research subjects and these were comprehended, resulting in informed consent. The researcher also treats subjects and information gathered respectfully and with honest (Dawson, 2002). The researcher also treats the information supplied by research participants in confidence confidentially and stored it in such a way that it did not fall into unscrupulous hands. Dawson (2002) advises that research participants names should not be published in the final report, to help avert the tracing back to participants by third parties.
1.10. DISSERTATION STRUCTURE

This dissertation is divided into five (5) chapters. Chapter one (1) begins by providing the background to the study, including the research problem, questions and objectives as well as the delimitation of the research. In Chapter two (2) the researcher reviews literature relevant to the employee turnover study, while in Chapter three (3), the researcher discusses the research methodology. Chapter three (3) further describes the issues relating to the study design, the philosophy, the research strategy, sampling and research procedures, as well as data collection methods. Chapter four (4) focuses on the discussion of the research results, including a thorough analysis of findings. The last chapter, chapter five (5) concludes the dissertation and provides recommendations as well as areas for further study. Attachments are provided as Appendices to this dissertation.

1.11. CHAPTER SUMMARY

In this Chapter, sections 1.1, 1.2 and 1.3 introduce the study by providing the background to the case under study and then leading to the problem. The research objectives and questions are laid out in section 1.4 and 1.5. The justification of the research is provided in section 1.6. The scope of the research is discussed in section 1.7, while in section 1.8 the researcher discusses ethical issues. The limitations of the study are provided in section 1.9, while the structure of the whole dissertation is provided in section 1.10.
CHAPTER 2: LITERATURE REVIEW

2.0. INTRODUCTION

This chapter reviews the literature relevant to the research topic. It provides a discussion of relevant concepts related to employee turnover with regards to the causes, impact on competitive advantage and handling of employee turnover. This includes definitions, theoretical background, empirical insights, as well as a critical review. The discussion on managing employee turnover caps the review of literature. The review of literature provides yardstick for the discussion of results in chapter four (4).

The issue of how to retain employees for longer tenures than competitors is one of the most important issues that organisations grapple with today (Allen, 2008; Zyl, 2011). Employee turnover poses a challenge to an organisation’s plans for preserving critical knowledge resources for knowledge continuity and competitive advantage (Linhartova & Urbancova, 2011). The management of talent is regarded as a 21st century priority for organisations as the skills, knowledge and competences of employees are competitive assets (Bano, Khan, Habib, Rehman & Humayoun, 2011).

Employee turnover has both desirable and undesirable effects (Hana & Lucie, 2011; Hana & Lucie, 2011). Allen (2008) argues that employee turnover is important for three (3) reasons, namely its implications on costs, organisation competitiveness or performance and the capacity to contain or manage it. This is because employees are the most valuable source of long term competitiveness (Holtom, Mitchell, Lee & Inderrieden, 2005). Employee turnover costs and loss of skills are the two (2) major problems (Anvari, Amin, Ismail & and Ahmad, 2010). As a result of work group embededness, employee turnover may have a contagion effect, seriously affecting social capital (Holtom, Mitchell, Lee & Eberly, 2008).
A trend of rising employee turnover is worrying, especially for high value and critical resources, as such behaviour negatively impacts an organisation’s competitive advantage (WeiBo, Kaur & Zhi, 2010). Reggio (as cited in Rehman, 2012) views employee turnover as problematic in that it may be the starting point of retention strategy failure. There is a lack of standardised mechanisms for comprehending employee turnover in its totality due to the various factors at play (Dwomoh & Korankye, 2012).

Little attention has been focussed on studying employee turnover sources, impact and mapping of strategies for continuity and sustaining competitive advantage (Ongori, 2007). There is therefore need for employers to understand this phenomena fully, more so the impact on an organisation’s competitiveness (Dwomoh & Korankye, 2012). There is an increased drive towards attracting and keeping talented staff for competitive advantage and drivers include knowledge workers, skills shortage, technological change and globalisation (Holtom, Mitchell, Lee & Eberly, 2008). The challenge is that certain types of employees have high demand on the job market, especially if their skill set is scarce (Samuel & Chipunza, 2009).

2.1. DEFINITION OF TERMS
2.1.1. Employee Turnover

Various definitions for employee turnover exist, some of which are provided below. Agnes (as cited in Mbah and Ikemefuna, 2012) defines employee turnover as “the ratio of the number of workers that had to be replaced in a given time period to the average number of workers” (p.276). This defines employee turnover in terms of how it is calculated. The issue with definition from the researcher’s point of view is that it does not say exactly what employee turnover is and does not bring out the complexity of this phenomenon.
Price (as cited in Mbah and Ikemefuna, 2012) defines employee turnover as “the ratio of the number of organisational members who have left during the period being considered divided by the average number of people in that organisation during the period” (p.276). As with Agnes, Price follows the same route of defining employee turnover in terms of how it is calculated.

Morrell, Loan-Clarke & Wilkinson (as cited in Curran, 2012, p.10) define employee turnover as “voluntary cessation of membership of an organisation by an employee of that organisation”. Though there is an attempt to show what employee turnover is, the weakness of this definition is that it ignores involuntary cessation of membership.

Grobler, Warmich, Elbert and Hatfield (as cited in Curran, 2012, p.10), describe employee turnover as “employees who have left, are leaving and will leave an institution for various reasons”. This is a more comprehensive definition in terms of describing what employee turnover is. For this study, the researcher utilises elements from Price and Grobler, Warmich, Elbert and Hatfield definitions.

2.1.2. Job Satisfaction

Churchill, Gilbert, Ford, Hartley & Walker (as cited in Curran (2012, p.10), define job satisfaction as “all characteristics of the job itself and the work environment which employees find rewarding, fulfilling and satisfying, or frustrating and unsatisfying”. Job satisfaction is thus a measure of the level of enjoyment derived from a job by an employee as a result of the comparison of expected and actual results.
2.1.3. Competitive Advantage (CA)

Competitive advantage is an edge over competition gained through providing customers greater perceived value (Zhu, 2009). Kay (as cited in Foon & Nair, 2010, 63) defines CA as “the advantage enjoyed by an organisation over other players competing in a market, strategic group or industry”. The researcher’s understanding is that competitive advantage is winning against your competition. The researcher prefers Zhu’s definition as it clarifies how to gain the advantage.

2.2. INCREASING INTEREST IN EMPLOYEE TURNOVER

There is a heightened interest in employee turnover as evidenced by increased research efforts linking employee turnover rates to sales, growth, performance and profitability (Allen, Bryant & Vardaman, 2010). Employees are regarded as key in sustaining competitive advantage and therefore it is in the best interest of management to manage employee turnover (Dwomoh & Korankye, 2012). Empirical evidence shows that an average employee switches jobs after a six (6) year-interval (Samuel & Chipunza, 2009). The fact that the employees contribution is not easily copied as it is intangible, makes employee retention a key issue (Walia & Bajaj, 2012). A survey showed that 46.7% of the employees surveyed in Zimbabwe revealed that they were actively seeking new employment elsewhere (Nguwi, 2013). Therefore the failure to identify and provide what talented employees want makes them more liable to poaching by competition (Haghparast, Mohamadzadeh, Mohamadzadeh, 2012).

Understanding who is leaving the organisation is very important as empirical evidence shows that employees with greater levels of social capital, impact negatively on an organisation’s performance (Allen, Bryant & Vardaman, 2010). Despite employees being viewed by many as the single source of sustaining competitive advantage, a lot of managers play lip-service with regard to the notion of
employees being the most valuable asset (Bassi & McMurrer, 2007). Some managers still view employees as a cost to be managed and therefore under-invest in the employees, putting the organisation competitiveness at risk (Bassi & McMurrer, 2007). The failure to properly manage employee turnover also has an adverse effect on the organisation profitability (Ongori, 2007).

Employee turnover is a symptom of other underlying problems in the organisation, making employee retention a key strategic priority (Shoaib, Noor, Tirmizi & Bashir, 2009). The psychological contract between the employee and employer has evolved, making long term commitment from either party something that cannot be guaranteed (Zyl, 2011). This development is buttressed by the 2012 Zimbabwe national engagement survey which showed that a number of employees (one (1) in every two (2) surveyed) feel betrayed by employers in honouring their part in the psychological contract and it is a shock resulting in disengagement (Nguwi, 2013).

In service industries, people assets are a source of competitive advantage and achievement of objectives (Zyl, 2011). As business strategies and goals are not static, it is important to put in place systematic and robust measures for retaining and attracting new talent, in the face of worldwide talent shortages concerns which result in what the McKinsey consultants termed “War for Talent” (Bano, Khan, Habib, Rehman & Humayoun, 2011, p.5). Changes in employee expectations are also pushing organisations to implement talent management practices and strategies (Zyl, 2011). One study showed that 85% of human resource management personnel cite the ability to compete for talent as a challenge (Lockwood, 2006). Furthermore, managers are finding it challenging to craft successful retention strategies, especially where employees are constantly demanding pay increases (Mbah and Ikemefuna, 2012).
2.3. EMPLOYEE TURNOVER TYPES

Employee turnover can take the form of voluntary, involuntary, dysfunctional and functional, avoidable, unavoidable turnover (Allen, Bryant & Vardaman, 2010) and each has different management implications (Allen, 2008). Voluntary employee turnover may be part of an individual's career plan (Ito & Brotheridge, 2005). However, Bawa and Jantan (2005) note that research on separating voluntary and involuntary employee turnover causes has been limited. It may not be strategically correct to try and invest a lot of resources in employee turnover that is mainly unavoidable (Allen, Bryant & Vardaman, 2010). The different types of employee turnover are shown in figure 2.1 below.

![Figure 2.1: Types of Employee Turnover](source.png)

Mbah and Ikemefuna (2012) provide six (6) forms that employee turnover manifest itself as in table 2.1 as below.
Table 2.1: Forms of employee turnover

<table>
<thead>
<tr>
<th>Form of turnover</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary</td>
<td>Employee initiates decision to part ways with the organisation</td>
</tr>
<tr>
<td>Involuntary</td>
<td>Arises from situations for example redundancy, retrenchment, sickness, disability, death and relocation abroad</td>
</tr>
<tr>
<td>Internal</td>
<td>The assuming of new roles in the same organisation</td>
</tr>
<tr>
<td>External</td>
<td>The assuming of new roles outside the organisation</td>
</tr>
<tr>
<td>Skilled</td>
<td>Presents a risk of loss of human capital (knowledge, training and skills) and if the skills are re-engaged in the same industry, it results in a competitive disadvantage and also high replacement costs</td>
</tr>
<tr>
<td>Unskilled</td>
<td>May opt to leave at slightest opportunity for better offers, but they are also easy to replace.</td>
</tr>
</tbody>
</table>

Source: Adapted from Mbah and Ikemefuna (2012, p.277)

2.3.1. Calculating Employee Turnover

Honyenuga and Adzoyi (2012), highlight that the stability index is one way of measuring employee turnover or year-to-date employee turnover (Zyl, 2011). The formula is as follows:

\[
\text{Number of employees exceeding one year} \times 100 = X \%
\]

\[
\text{Total number of employees a year ago}
\]

2.3.2. Employee Turnover Process and Models

2.3.2.1. Employee Turnover Process

Kuria, Alice and Wanderi (2012) highlight that employee turnover is a continuous process, which begins with the evaluation of the environment by the employee, evaluation of the new job search utility, search for the new job, evaluation of alternatives and a decision choice to remain in the same job or quit. As such, seeing it is a process, organisations should be able to arrest the problem before employees finally quit. The processes are shown in figure 2.2.
2.3.2.2. Voluntary Employee Turnover Models

Though employee turnover is a complex phenomenon, some models have been crafted to try and help understand employee turnover processes (Allen, 2008). WeiBo, Kaur and Zhi (2010) classify employee turnover models based on the process of turnover and the routes. Curran (2012) postulates that there is no universal model which one can use to wholly understand the turnover phenomenon as it has three (3) facets, namely organisational, psychological and costs. The researcher discusses some of the available models below.
2.3.3. **Voluntary Turnover Models**

2.3.3.1. **The Traditional Turnover Model**

Based on research evidence Allen, Bryant and Vardaman (2010) crafted their model to explain how and why employees’ voluntarily quit as shown in figure 2.3. The model omits a number of phenomena related to employee turnover (WeiBo, Kaur & Zhi, 2010). The traditional employee turnover predictors (satisfaction with the job, commitment, searching for jobs and choosing job opportunities) only explain 25% of actual employee turnover (WeiBo, Kaur & Zhi, 2010).

![Figure 2.3: Traditional Turnover Model](source)


2.3.3.2. **Comprehensive Voluntary Turnover Model**

This model extends the traditional voluntary turnover model’s explanation. Some example of withdrawal behaviours include reporting late for work, absenteeism, reduced performance (Allen, 2008). The traditional employee turnover model (Figure 2.4) has lower explanatory power to actual employee turnover though (WeiBo, Kaur & Zhi, 2010).
2.3.3.3. **The Integrated Mediated Multi-Routes Model**

This model links an employee's withdrawal behaviour, voluntary quitting and performance (WeiBo, Kaur & Zhi, 2010). The three possible routes, namely the performance-job satisfaction, performance indirectly swaying turnover and performance directly swaying turnover (short-circuiting) are shown in figure 2.5. It is possible to experience employee turnover without a cause-effect scenario in some special cases (WeiBo, Kaur & Zhi, 2010).
2.3.3.4. Job Coupling Model

The factors that result in employee turnover under this model are complex as they are psycho-social in nature (WeiBo, Kaur & Zhi, 2010). Job coupling factors are fit, linkage and sacrifice (WeiBo, Kaur & Zhi, 2010). Job coupling exerts more influence to voluntary employee turnover compared to commitment and job satisfaction (WeiBo, Kaur & Zhi, 2010). The model is castigated for being overly focused on achieving fit, which is inflexible with possibility of reducing efficiency for example for organisations experiencing change (WeiBo, Kaur & Zhi, 2010). A pictorial view of the model is shown in figure 2.6.

![Job Coupling Model Diagram](image)

**Figure 2.6: The Job Coupling Model**

*Source: WeiBo, Kaur and Zhi, (2010, p.4153).*

2.3.3.5. Unfolding Model

The unfolding model represents a paradigm shift from classical thinking by emphasising the decision making elements derived from image theory (Ongori, 2007). In spite of the situation specific peculiarities, Curran, (2012) points out that when quitting employees take one of five (5) routes as follows:
i. Pre-existing notions are invoked by the shock and an employee just leaves the organisation without assessing alternatives or connection with the organisation (organisation embeddedness);

ii. The shock causes an employee to depart, without considering job alternatives and there is absence of pre-existing scripts. There is a perception of values, strategies and objectives violation;

iii. The shock triggers evaluation of existing job’s mental images and results in intentional job search;

iv. There is no shock influence here, but just low job satisfaction which results in employees leaving, despite not having alternatives; and

v. As a result of low job satisfaction, job search is initiated, alternatives are evaluated, intention to leave is signaled and finally employee turnover.

Shocks are precipitators initiating the quitting process and they range from being positive to negative or unexpected to being expected and internal or external to the employee concerned (Holtom, Mitchell, Lee & Inderrieden, 2005). Bounded rationality is a limiting factor in the decision making process in this model (Ongori, 2007). There is also no consistency in the findings relating to the link between the availability of alternatives and employee turnover (Holtom, Mitchell, Lee & Inderrieden, 2005).

2.4. MAJOR CAUSES OF EMPLOYEE TURNOVER

There has not been findings consistency on the determinants of employee turnover (Ongori, 2007). A number of variables moderate the relationship between employee turnover and satisfaction (Ying-Chang, WenCheng & YingChien, 2010). Understanding the causes of employee turnover helps to mitigate the negative effects of employee turnover (Rehman, 2012). The causes of employee turnover can be classified into environmental, organisational, individual work and lastly individual non-work variables (Rehman, 2012). Job satisfaction determines the levels of performance, turnover, and absenteeism.
2.5.1. Individual Work Factors

2.5.1.2. Job-related Factors

Ongori (2007) points out that role ambiguity increases employee turnover. The lack of harmony in an employee’s role increases chances of employee turnover (Abdali, 2011). Other job-related issues include clarity on roles definition as well as effectively communicating this (Allen, Bryant & Vardaman, 2010).

a. Job satisfaction

Job satisfaction is an employee turnover leading indicator (Appelbaum, Mitraud, Gailleur, Lacovella, Gerbasi & Ivanova, 2005). Mbah and Ikemefuna (2012) cite the level of employee job satisfaction as one of the key determinants of employee turnover that impact on turnover intentions. Job satisfaction is derived from job-specific attributes, while commitment to the organisation relates to organisation-wide attributes (Chen, 2006). The nature of the job poses a direct influence of job interest and subsequent satisfaction (Curran, 2012). A miserable job is a source of employee turnover and Lencioni (2007) cites three signs of job misery as anonymity, irrelevance and lack of measurement. Empirical evidence suggest growth opportunities, feedback, job enlargement, more responsibility and moderate challenging jobs as sources of more job satisfaction (Curran, 2012). Robbins (as cited in Curran, 2012, p.19) found out that “under conditions of moderate challenge, most employees will experience pleasure and satisfaction.” Baron (as cited in Curran, 2012) states that “a happy worker is a productive worker” (p.21).

There are three aspects related to job satisfaction impacting on turnover, namely comfort with pay, supervisor and nature of work (Mbah & Ikemefuna, 2012). A study conducted in India in 2010 revealed that the level of satisfaction and pride with the organisation are leading predictors of an employee’s stay decision (Bano, Khan, Habib, Rehman & Humayoun, 2011). When correspondence with the environment is attained, both the employee and the work environment are fulfilling each other’s requirements, where an employee perceives that their knowledge and skills are
valuable and the organisation in turn avails room for advancement and rewards (Curran, 2012).

Though dissatisfaction with the job is believed to erode the desire to remain in the organisation (Rehman, 2012). Job dissatisfaction predicts voluntary turnover (Ito & Brotheridge, 2005), Abdali (2011) argues that despite being dissatisfied, employees may not quit in an environment of limited opportunities, creating a symbiotic relationship. Furthermore, Holtom, Mitchell, Lee and Inderrieden (2005) argue that though dissatisfaction with the job is a factor behind voluntary turnover, it is not the precipitator, but the shocks in the system. Rehman (2012) however argues that job satisfaction is a leading indicator of actual employee turnover.

The relationship between turnover and job satisfaction is not clear cut as it depends on a number of idiosyncratic factors of work in organisations (Ying-Chang, Wen Cheng & Ying Chien, 2010). However, empirical evidence point to a strong positive relationship between job satisfaction levels and employee turnover (Spector, as cited in Curran, 2012; Rehman, 2012). A search of literature by Reggio (as cited in Rehman, 2012) found out that only four (4) out of a total of 39 researches in the last 60 years were inconsistent with the notion that low job satisfaction and commitment lead to higher employee turnover rates. It is therefore easy for an employer with job dissatisfaction to leave their current employer (Abdali, 2011).

b. Pay

Pay is the financial compensation received by the employee for the services rendered to the organisation and though it is a significant causal factor for voluntary turnover, the pay-job satisfaction link is believed to be complex (Curran, 2012). There is no consensus on the relationship between pay and employee turnover (Klett, 2009). Employees are said to be satisfied where “current pay is better than the desired pay” (Curran, 2012, p.14). Berkowitz (Curran, 2012) however, argues that the relationship between pay and job satisfaction is weak. Griffeth, Hom, Gaertner
(as Mbah & Ikemefuna, 2012) argue that pay has a moderate effect on turnover, contrary to Herzberg’s view that extrinsic factors do not improve job satisfaction, unlike the intrinsic factors like recognition.

Atchison (as cited in Curran, 2012), also highlights that pay is not a permanent solution to low job satisfaction, but only temporarily solves the problem. A survey of 11,000 employees supports the temporary nature of pay as it revealed that most employees stay within the same organisation for a year if they are awarded a 10% to 15% pay increase (Zyl, 2011). However, Abdali (2011) points out that dislike of pay will likely push employee turnover, putting pay as one of the critical factors that determines whether one stays or leave. Contrary to this view, Allen, Bryant and Vardaman (2010), argue that though pay satisfaction levels matter, it is not a strong predictor of employee’s decisions to quit. To be effective, competitive and satisfying, pay must be seen to be fair and it requires appropriate human resources policies, otherwise turnover will still be high (Curran, 2012). Achieving fair distribution of pay increases is however not that easy and it often hinges around expenditure (Kuria, Alice and Wanderi, 2012).

c. Task Attributes

There are five (5) task attributes which play a huge role in employee turnover (Ongori, 2007). These are as follows:

i. Room to use wide array of employee skills on the job;

ii. Task identity;

iii. Job autonomy;

iv. Feedback; and

v. Task importance.
2.5.1.3. Organizational Factors

There is general consensus that a work climate allowing growth and development as “employee retention and employee engagement are joined at the hip” (Nelson & McCann, 2008, p.5).

a. Employee Development

One study found that for best staff members, developing and training employees are leading retention measures (Samuel & Chipunza, 2009). Those employees with high need for growth are satisfied with complexity and it inturn increases their commitment (Abdali, 2011). Interestingly, another study cited lack of employee development and training as the major reason why employees were quitting their jobs (Samuel & Chipunza, 2009).

b. Career Promotion and Recognition

Fair, just and clear promotion policies influence the employee’s attitude towards those policies and the resultant job satisfaction (Curran, 2012). A survey showed that 82% of the respondents were motivated to increase productivity as a result of recognition (Bano, Khan, Habib, Rehman & Humayoun, 2011). Benefits of promotion include more responsibility, social status improvement and personal growth (Curran, 2012). A survey cited absence of promotion as one of the leading causes of employee turnover (Asquith, Sardo & Begley, 2008).

c. Manager-Subordinate Relationships

Employee tenure is a function of the relationship with superiors (Borstorf & Marker, 2007; Curran, 2012). Managers influence perception of employees towards the organisation as they are the “human face” of the organisation (Patra & Singh, 2012, p.56). It is argued that the employee’s perception of the organisation is largely determined by the quality of supervisor-subordinate relationship (Walia & Bajaj, 2012).
Close relationships are required for skilled employees, as they may be offered employment elsewhere (Patra & Singh, 2012). This underscores the need to equip managers with the right skills to improve retention (Allen, Bryant & Vardaman, 2010). For job satisfaction to increase some of the expectations of employees include being understood, justice, managers who care about their well-being, are supportive, who can be counted on and are empathetic and supportive (Curran, 2012). However little attention has been applied to explain the influence of human resources management on individual employee’s turnover choices (Luna-Arocas & Camps, 2008).

2.5.2. Individual Non-work Factors

a. Commitment to the Organisation

Organisation commitment comes as a result of opportunities for growth and increased pay (Ongori, 2007). Commitment to the organisation is a key contributor to employee turnover and intentions (Anvari, Amin, Ismail & Ahmad, 2010). Commitment manifests through going the extra mile and taking pride in associating with the organisation (Ito & Brotheridge, 2005). Those employees who are committed are less likely to quit and their propensity to do so is lower (Anvari, Amin, Ismail & Ahmad, 2010). Meta-analysis (a technique of summarising a number of research findings to estimate the strength of a relationship) attested that commitment to the organisation is a key factor for retaining employees (Anvari, Amin, Ismail & Ahmad). Commitment to the organisation, inherent motivation and job performance were found to be positively correlated (Rehman, 2012).

b. Intrinsic Factors

Armstrong (2006) defines intrinsic motivation factors as those “that influence people in a certain way such as responsibility, autonomy, interesting and challenging work and opportunities for advancement” (p.254). Kuria, Alice and Wanderi (2012) mention intrinsic job characteristics like repetitiveness, perceived importance, risk
and challenge. These shape the perceptions towards the job itself and the employee tenure.

c. Personality

This includes attitudinal factors, personal attributes, motives and preferences guiding how employees respond to work and environmental situations (Curran, 2012). It impacts emotions which has a ripple effect on job satisfaction. One research showed a positive relationship among reduced incidents of employee turnover, growth in sales and increased employee morale (Bano, Khan, Habib, Rehman & Humayoun, 2011). The issue with attitudes is that it is up to the individual concerned to respond either positively or negatively to a situation, depending on their proposition.

d. Demographic Factors

Demographic factors are not strong predictors (Allen, Bryant & Vardaman, 2010).

i. Age

There are inconsistent views regarding the link between job satisfaction and age (Curran, 2012). Rehman, (2012) nevertheless argues that research has consistently found a negative relationship between turnover and age. Some authors found out that older employees are more content with their job than their younger counterparts, while others note that there is no significant relationship (Curran, 2012).

ii. Tenure

The shorter the tenure, the higher the turnover and tenure is believed to one of the best predictors of employee turnover (Rehman, 2012). What is not clear is whether this applies to both managerial and non-managerial staff. Older employees have unusually longer tenures compared to younger ones (Abdali, 2011).
iii. Gender

There are inconsistencies in the findings on gender influence on job satisfaction levels (Curran, 2012). Women were generally found to be loyal compared to men (Abdali, 2011). As with tenure, what is not clear is whether this applies to both women managers and non-managerial staff.

iv. Marital Status

It is believed that those married have higher levels of job satisfaction compared to the unmarried (Curran, 2012). However one may argue that the commitment imposed by marriage causes one to value and maintain the job, but not necessarily satisfaction.

2.5.3. Environmental Factors

Kuria, Alice and Wanderi (2012) note that some of the extraneous factors influencing human management practices, policies, strategies and plans which are beyond the control of the organisation include social, political, economic factors, pay perceptions evaluations and pay rises in other industries.

a. Availability of Alternatives

The availability of alternatives (Allen, Bryant & Vardaman, 2010) and economic reasons cause employees to quit (Ongori, 2007), posing a live challenge to retention efforts. Allen, Bryant and Vardaman (2010) argue that the employee turnover for top performers whose skills are highly demanded are not impacted much by high levels of unemployment (). Environmental scanning and needs assessment helps to understand issues that may impact on the demand and supply of talent for the organisation (Allen, Bryant & Vardaman, 2010).
2.6. IMPACT OF EMPLOYEE TURNOVER ON THE ORGANISATION

2.6.1. Are All Employee Turnover Types Harmful?

Holtom, Mitchell, Lee and Inderrieden (2005) stress that it should be noted that not all turnover is harmful to an organisation as it can either be functional or dysfunctional and as such should not be aggregated. To support this assertion, Allen, Bryant and Vardaman (2010) contest that the concept of employee turnover is a complex one, as in some cases it is catastrophic to organisations inevitably and unavoidable, while in other cases it is beneficial. Though in the past researchers portrayed a very negative picture of employee turnover in terms of loss of performance, other researchers cite benefits like new ideas and innovations (Abdali, 2011). McKinney, Bartlett and Mulvaney (2007) caution that though a certain level of employee turnover is necessary for employee’s growth and advancement, higher rates however pose challenges for organisations.

The receiving organisation stands to gain competitive advantage, while the losing organisation experience knowledge continuity risks (Linhartova & Urbancova, 2011). Other positives of employee turnover include re-organisation and adaptation, offloading of poor performers, better incomes and moving away from unsuitable work environments (Rehman, 2012). Employee turnover may result in loss of “necessary causalities” (Long, Perumal & Ajagbe, 2012, p.629). Walia and Bajaj (2012) also argue that high rates of employee retention are not necessarily better as poor performers, unhappy, but trapped employees and those stuck in their jobs may be included.

2.7.1. Employee Turnover Implications

2.7.1.1. Implications on Organisation Competitiveness and Performance

Blount, Castleman and Swatman (2005) point out those service organisations, like Transaction Payment Solutions, require the requisite strategies for managing human
capital for sustaining competitive advantage as employees are the organisation’s public face. Hana and Lucie (2011) consider employees as one of the incessant challenges in organisations, especially the talented ones with the potential to move to competitor organisations resulting in a competitive disadvantage. This underscores the role of employees for competitive advantage realisation. Peteraf and Barney (2003, p.314) state that, “An enterprise enjoy competitive advantage if it is able to create more economic value than the marginal (breakdown) competitor in its market”. Competitive advantage is achieved when the effects of employee turnover and its trends is widely shared within the organisation (Allen, Bryant & Vardaman, 2010).

Competitive advantage and productivity are determined by the reward attractiveness and the perception of the possibility to achieve it (Long, Perumal & Ajagbe, 2012). Grobler and Diedericks (2009) assert that the management of employee talent in a coherent and integrated way has a major bearing on the level of an organisation’s competitiveness. Using an experimental study Shaw, Gupta and Delery (as cited in Rehman, 2012) found out that low levels of organisational performance were characterised by voluntary turnover. On the contrary, one study showed that turnover of employees who have been with the organisation for longer periods or those with shorter periods actually boosted performance (Rehman, 2012).

2.7.2. The Concept of Competitive Advantage

Wu (2010) argues that despite the wide discussions in the management literature, the issue of competitive advantage still remains vague. The ambiguity arises from the two angles, namely numerous definitions and different research streams, which have varying assumptions, analysis units and strategic implications. Stoelhorst and Bridoux (2007) further argue that even within the same streams the logic seems to be evolving over time. It is argued that employee turnover influences new investors’ valuation of the organisation (Borstorff & Marker, 2007). It is estimated that 30% to
50% of an organisation’s market value is attached to intangible factors, including talent retention, attraction and remuneration (Holtom, Mitchell, Lee & Eberly, 2008).

Competitive advantage means different things to different scholars, with some viewing it as synonymous with superior performance, while others regard it as an attribute of the organisation. According to Porter 1985, “Competitive advantage grows fundamentally out of the value a firm is able to create for its buyers that exceeds the costs of creating it (p.3). Wu (2010) stresses that the real challenge when investigating competitive advantage is the role ambiguity within the theoretical framework, whether it is a dependent or an intervening variable.

2.7.3. Perspectives of Competitive Advantage

There are three (3) perspectives of competitive advantage, namely activity-position, relational and resource-based views (Wu, 2010). However the Resource-Based View (R-BV) and Porter’s competitive forces are regarded as the two (2) dominant and competing perspectives with regards to the attainment of competitive advantage by an organisation (Zhou, Brown & Dev, 2009; Theriou, Aggelidis & Theriou, 2009). Jorgensen (2008) highlights the differentiating factor of the activity-position view from the R-BV is its focus on the external environment. The emphasis of Porter’s competitive forces is on industry structure and firm’s strategic positioning as the drivers, while R-BV emphasises that an organisation’s effectiveness and efficiency rest on its valuable, rare, inimitable and non-substitutable (VRIN) resources (Nevo & Vadi, 2010), which organisations need to invest in for sustaining competitive advantage (Fiona, Doherty, & Leonidas, 2007). The commonality between Porter’s approach and the R-BV is that both focus on supply side and ignore the demand side interactions (Adegbesan, 2009). Peng, Wang & Jiang (2008) attempt to differentiate the R-BV and Porter’s views by emphasising that Porter’s view is that industry conditions drive strategy and performance, while R-BV is that inter-organisational heterogeneity drive strategy and performance.
2.7.4. Activity-Position View

Porter argues that outstanding performance or competitive advantage is largely a function of the strategic choices which provides a premium position in an industry structure (Wu, 2010). Porter’s approach involves positioning an organisation to maximise strengths and minimise weaknesses (Clardy, 2008). Competitive advantage resides in the activities and systems and not the organisation’s resources (Wu, 2010). The Porter’s five forces determine the strategic choices and competitive advantage is a result of the offensive and defensive strategies to respond to the collective impact of the five (5) forces to achieve superior performance (Wu, 2010).

Porter’s framework suggests a strategy to resources approach (Brahma & Chakraborty, 2011). As such, resources, including human resources provide competitive advantage in so far as they fortify the attractive position chosen by management (Wu, 2010). Competitive advantage arises from being able to position the organisation in an attractive industry position enabling the organisation to focus on a specific niche, differentiate offerings and reduce costs (Wu, 2010). Bridoux (2004) points out that though the industry is the unit of analysis for Porter, empirical evidence suggests that firm specific factors are more influential on performance and that it is not possible to conclusively evaluate an organisation’s performance without considering its resources and capabilities.

2.7.4.1. The Resource-Based View (R-BV)

R-BV is viewed as an alternative approach to strategising, given the background of dominance of Porter’s competitive positioning approach to strategy (Bhamraa, Danib, & Bhamrac, 2011). R-BV is seen by researcher as a natural compliment to Porter’s industrial organisation economics work (Lockett, 2005; Lockett, Thompson & Morgenstern, 2009). Competitive position is not the focus of the R-BV, but the acquisition, deployment and retaining of resource, including human resources (Kazlauskait & Buciunien, 2008). The main R-BV argument is that the organisation is
a bundle of resources (Liao, Kickul, & Ma, 2009; Connelly, Ketchen Jr. & Slater, 2011; Bowen, 2007; Madhani, 2009; Berry & Altuntas, 2010), semi-permanently tied to an organisation (Lockett, Thompson & Morgenstern, 2009), that are heterogeneous and imperfectly mobile resources (Mada, 2008; Espino-Rodriguez and Padron-Robaina, 2006). Moreover growth, effectiveness, competitive advantage rests on striking a balance between these resources and customer needs (Pesic, 2007).

R-BV rejects Porter’s neo-classic model which supposes that the positioning of markets and products determines competitive advantage (Espino-Rodriguez & Padron-Robaina, 2006). R-BV however does acknowledge that external forces should be considered (Bhamra, Dani & Bhamra, 2011). In addition to emphasising the role of managers, R-BV intends to establish the fit between internal and external contexts (Lockett, Thompson & Morgenstern, 2009). This can be in the form of proactive measures to deal with measures that result in employee turnover. Spanos and Loukas (as cited in Theriou, Aggelidis & Theriou, 2009) stress that, despite the apparent differences between Porter outside-in approach and the R-BV’s inside-out approach, the two (2) have a “complementarity-compatibility” and therefore can co-exist, shaping organisation’s behaviour from two (2) different sides, but of the same coin (p.177). Under the R-BV resources and capabilities take precedence over external factors in strategising (Pesic, 2007) and it is therefore imperative for management to effectively utilise the human resources and their capabilities for competitive advantage.

2.7.4.2. The Relational View

Some authors consider it an extension of the R-BV (Wu, 2010). Competitive advantage arises from inter-organisation collaboration (resulting in strategic capabilities) rather than an organisation’s distinctive resources or individual activities (Wu, 2010). Lavie (2007) identifies four (4) inter-firm interactions as sources of
competitiveness namely relation-specific assets, knowledge sharing routines, complimentary resources and capabilities and effective governance. The implication of this is that an individual organisation cannot create competitive advantage similar to the one with dynamic inter-organisation interaction (Wu, 2010). Causal ambiguity and time compression diseconomies are sources of sustaining the competitive advantage. The R-V school is castigated for ignoring the efficiency resulting from the relations and also the potential disadvantages that may result from the close inter-firm ties (Wu, 2010).

2.7.4.3. Human Resources as Sources of Sustainable Competitive Advantage

It is argued that the sole source of sustainable competitive advantage is those talented human resources (Luna-Arocas & Camps, 2008). Lockwood (2006) concurs that in competitive markets human assets drive performance. Using the R-BV line of thinking Luna-Arocas and Camps (2008) argue that focus need to be on resources required for strategy execution, for example employees. The efficient and successful reduction of employee turnover has therefore become a prerequisite for sustained organisation success (Shoaib, Noor, Tirmizi & Bashir, 2009). In a highly competitive environment, employee competences and skills are the key to success (Grobler & Diedericks, 2009). In a knowledge economy, the management of knowledge workers with competitive value is now very important, though challenging at the same time (Nelson & McCann, 2008). The four (4) knowledge forms which have the potential to affect long run competitiveness when lost include “knowing what, knowing-how, knowing-why, and knowing-who” (Nelson & McCann, 2008, p.2).

Talented individuals are a key asset for effective performance and competitive advantage (Horvathova & Durdova, 2010)The reason for this argument include that high performance, increased productivity, innovation, quality and subsequent customer satisfaction depends on the organisation’s talent (Grobler & Diedericks, 2009). The capability of the employee is a key driver of performance and competitive
advantage in the service industry (Blount, Castleman & Swatman, 2005). Strategic human resource management is viewed as a prerequisite for competitive advantage, with some authors inferring a direct relationship between the two (2) variables (Luna-Arocas & Camps, 2008).

2.7.5. Costs of Employee Turnover

Worldwide, employee turnover is a significant cost area which impacts on performance of the organisation, but which management can influence (Kuria, Alice & Wanderi, 2012). A number of authors concur that the effects of turnover of the organisation are profound affecting profitability (Mbah & Ikemefuna, 2012). Employee turnover is cited as the “highest non-value-creating costs for organisations” (Archer, 2007. p.6). This arises from the subsequent replacement costs, including training and development costs. Furthermore output suffers due to productivity and management time loss. In the year 2000 the costs of employee turnover in the USA was a whooping US$11 billion (Rehman, 2012). There is no one best metric for computing employee turnover costs (Allen, Bryant & Vardaman, 2010), hence the various estimates put forth. Employee turnover costs can be classified into primary (quantitative), secondary (qualitative) and tertiary costs (qualitative) (Fidalgo & Gouveia, 2008). Indirect costs include learning curve for new employees, negative impact on customer services (Ongori, 2007).

The direct costs of replacement are between 50% and 60% of one’s salary (Allen, 2008). Other estimates are 25% (McKinney, Bartlett and Mulvaney, 2007), 50% (Ongori, 2007; Mbah & Ikemefuna, 2012), between 90% and 200% (Allen, 2008; Allen, Bryant & Vardaman, 2010), between 100% to 150% (Nelson & McCann, 2008), 150% (Asquith, Sardo and Begley, 2008) of yearly salary being annual costs of their salary. Borstorff and Marker (2007) suggest that costs of replacement can be 18 months pay for skilled staff and six months pay for unskilled staff. Blake (2006) goes further by differentiating employee types and estimates between 30% and 50%
of one's annual salary for entry level, 150% for mid-level staff and 400% for high value and unique talent. In monetary terms, it is estimated that for hourly employees, the turnover costs range between US$3,000 and US$10,000 (Mbah & Ikemefuna, 2012) and US$3,500 (Blake, 2006). Fair (as cited in Kuria, Alice & Wanderi (2012) categorises the direct costs into six (6) categories shown in table 2.2 below.

### Table 2.2: Direct Employee Turnover Costs (Adapted from Kuria, Alice & Wanderi, 2012)

<table>
<thead>
<tr>
<th>Category</th>
<th>Example(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Separation costs</td>
<td>Severance pay and exit interviews</td>
</tr>
<tr>
<td>2 Recruitment costs</td>
<td>Vacancy advertising and search fees</td>
</tr>
<tr>
<td>3 Selection costs</td>
<td>Interviews and reference checks</td>
</tr>
<tr>
<td>4 Hiring costs</td>
<td>Induction and initial training</td>
</tr>
<tr>
<td>5 Relocation expenses</td>
<td>Accommodation and transport</td>
</tr>
<tr>
<td>6 Lost productivity costs</td>
<td>Learning curve of the new employee</td>
</tr>
</tbody>
</table>

Besides the financial costs, there are also other subtle costs like disruption of social ties and reduced morale (Rehman, 2012), intellectual and relational capital and personnel costs which inturn impacts on liquidity (Mbah & Ikemefuna, 2012). Curran, (2012) argues that indirect costs are actually a significant turnover cost element for productivity loss and reduced morale. Borstoff and Marker (2007) term these hidden costs and examples include productivity loss, declining morale, ripple effects on customer service, knowledge and expertise loss. To avoid guessing employee turnover costs, Cascio (as cited in McKinney, Bartlett, & Mulvaney, 2007) came up with a model to compute turnover costs shown in figure 2.7. The advantage of this model is that it makes it possible to carry out a detailed analysis and tailoring of strategies for specific costs types (McKinney, Bartlett, & Mulvaney, 2007).
2.7. MANAGING EMPLOYEE TURNOVER

Employee retention is being able to retain those employees an organisation wishes to keep for longer tenures than its competitors (Shoaib, Noor, Tirmizi & Bashir, 2009). The major objective of employee retention is safeguarding losing high performers and ensuring service delivery and productivity (Samuel & Chipunza, 2009). The retention of talented employees has not been easy, with organisations making various moves to attract the hearts and minds of the employees through the creation of an enabling culture (Zyl, 2011). Competition for talent is intensifying and it requires a paradigm shift on the employee retention practices, as organisations

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Figure 2.7: Cascio’s Employee Turnover Costing Model

benefit employee retention (Walia & Bajaj, 2012). Employee retention is more prudent than the costs of replacing lost employees (Luna-Arocas & Camps, 2008). In order to avoid the disruptions arising out of employee turnover, a number of organisations try to reduce turnover, though with limited success (Appelbaum, Mitraud, Gailleur, Lacovella, Gerbasi & Ivanova, 2005). It is important to note that popularity and effectiveness are two different issues when it comes to the measures to tame turnover and traditional measures that bank on compensation often fail (Nelson & McCann, 2008).

While a number of authors recommend low turnover rates, Price (as cited Kuria, Alice & Wanderi, 2012) however argues that low turnover actually has its own special challenges for example the failure to forgo too much preventive maintenance investment for non-existent problems. It should be noted that context is very important when dealing with employee turnover, not just blanket application of best practices (Allen, Bryant & Vardaman, 2010). There is therefore need for proper diagnoses tailoring solutions to the specific contextual factors (Honyenuga & Adzoyi, 2012). This is particularly important given the fact that not all employee turnover is harmful to the organisation (Allen, Bryant & Vardaman, 2010).

Despite making initial good progress in retention efforts, the curse of success will erode previous gains through complacency (Kuria, Alice & Wanderi, 2012). Zero employee turnover may not be possible, despite having superb retention strategies, but the thrust is on dealing with avoidable dysfunctional turnover (Holtom, Mitchell, Lee & Inderrieden, 2005; Allen, Bryant & Vardaman, 2010). Smaller companies like TPS often do not have the resources to craft human capital management solutions (Khatri, Gupta, Gulati & Chauhan, 2010). An effort towards talented staff retention requires both line managers and human resources professionals for success (Curran, 2012). In order to successfully deal with turnover, organisations need to understand the three (3) C’s of turnover, namely causes, costs and cures (Zyl, 2011) and concerted effort from all parties (Allen, Bryant & Vardaman, 2010). Another
prerequisite for retention programmes success lies in the ability to decipher the needs of employees and challenges resulting in high turnover (Curran, 2012).

The understanding of causes of employee turnover is in itself a way of retaining valuable skills (Curran, 2012), underscoring the need to understand the antecedents of employee turnover. As the economy recovers or start to recover, employees will also begin to expect more from their organisations and they may jump ship in order to get what they want (Khatri, Gupta, Gulati & Chauhan, 2010). An organisational culture supporting innovation and fosters a sense of belonging and team spirit is conducive for longer employee tenure (Nelson & McCann, 2008).

There are multiple approaches to managing employee turnover and retaining talent (Walia & Bajaj, 2012) and they are multi-faceted (Shoaib, Noor, Tirmizi & Bashir, 2009). The two main non-mutually exclusive employee retention measures are systemic and targeted strategies, where the former relates to the generic measures and the latter relates to those idiosyncratic issues (Allen, Bryant & Vardaman, 2010). The focus can be on organisation-wide retention schemes for example revamping salaries in line with market rates or on work climate based on research or survey data or best practices (Allen, 2008). The advantage of this approach is that it casts the net wider on the issues being considered before a decision is reached (Allen, Bryant & Vardaman, 2010). Nelson and McCann (2008), group employee turnover combating measures used by organisations into retaliatory and proactive as shown in table 2.3.

Table 2.3: Measures to Combat Employee Turnover

<table>
<thead>
<tr>
<th>Measure</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive defensive actions aimed at creating a conducive and attractive environment</td>
<td>Increasing salaries, recognition initiatives, employee training and development, team work and effective internal communication systems.</td>
</tr>
<tr>
<td>Retaliatory measures aimed at increasing costs attached to leaving the organisation</td>
<td>Aggressive contract enforcements and threats of lawsuits</td>
</tr>
</tbody>
</table>
2.8.1. Most Popular Interventions

Interestingly, the reasons why employees leave are the same reasons why they stay and as such they are two sides of the same coin (Allen, 2008). To improve retention, managers need to properly address these reasons; otherwise they work against employee retention (Samuel & Chipunza, 2009).

2.8.1.1. Career Development Opportunities

There is need for investment in employee development and opportunity creation (Walia & Bajaj, 2012). Organisations need to train and develop their employees to motivate them if it is to gain and retain competitive advantage (Patra & Singh, 2012). This also enhances the employability of employees internally and externally (Patra & Singh, 2012). Empirical evidence suggests that succession planning is a vital retention strategy (Lockwood, 2006). Samuel and Chipunza (2009), contest that regular development and training may actually work against the organisation as it enables employees to leave early as it provide them with skill malleability, making them flexible and employable outside the organisation.

2.8.1.2. Work Environment

The provision of a high quality working environment with a range of employee-valued benefits may also increase satisfaction levels and hence discourage turnover behaviours (Kuria, Alice & Wanderi, 2012). Retention astute organisations are proactive and manage the work climate factors influencing employee turnover decisions, concomitantly increasing the opportunity costs of quitting (Allen, 2008). To retain knowledge workers, there is need for the manager to value and recognise them, infuse a learning culture and crafting of appropriate policies to support knowledge management (Nelson & McCann, 2008).
2.8.1.3. Compensation and Benefits

A reward is the compensation for services rendered by employees (Patra & Singh, 2012). Rewards need to be fair, tailored to individuals, concomitantly being productivity and market linked (Allen, 2008; Long, Perumal & Ajagbe, 2012). Despite the acknowledgement of the strong influence of attractive remuneration in terms of meeting employee needs, there is no agreement on the importance of remuneration (Walia & Bajaj, 2012). The importance of pay is emphasised by Long, Perumal and Ajagbe (2012), who mention that tangible recognition for services rendered by employees comes from pay.

Though pay is regarded as a primary method in many circles, it must be backed by the ability to increase it and hence it is not something that can be sorely relied on (Honyenuga & Adzoyi, 2012). It is argued that pay awards may not be the best route to address employee turnover problem (Allen, Bryant & Vardaman, 2010). If resources are limited, the option may be to focus on the certain groups, as opposed to mass appeal strategies (Allen, 2008).

Despite uncompetitive remuneration being regarded as a cardinal reason behind employee turnover (Abdali, 2011), from a study, pay was rated the least important out of the 50 variables studied as retention factors, with career advancement, learning and development, exciting and fulfilling work leading the pack (Borstorff & Marker, 2007). Long, Perumal and Ajagbe, (2012) stress that the way an organisation administers its compensation policies signals that organisation’s strategic thrust and this may reduce employee turnover. In contrast, another survey cited pay as one of the most important variables, together with the quality of the supervisor (Borstorff & Marker, 2007). The solution may be performance based pay and tailored pay schemes (Armstrong, 2006).

Khatri, Gupta, Gulati and Chauhan (2010) argue that money is always not enough, but there is need for optimisation through investing where it matters most for both
short and long term performance. Investing huge amounts of resources in retention programmes however does not guarantee that employees may not leave (Bano, Khan, Habib, Rehman & Humayoun, 2011).

2.8.1.4. **Meaningful Workplace**

Leigh Branham (as cited Zyl, 2011) identifies four (4) needs that, if unmet, cause employees to disengage and start thinking about parting ways with the organisation namely the need for: trust, hope, sense of worth and to feel competent. There is need to intimately understand the needs of talented employees as “talented people demand meaningful work, deny it, they leave.” (Patra & Singh, 2012, p.55). Organisation culture determines how employees interact and the fit with the organisation culture is an employee retention factor (Borstorff & Marker, 2007). Team work promotes links, while effective recruitment and induction promotes fit and tailoring rewards and linking financial rewards to tenure for example use of home loans to promote sacrifice (Allen, Bryant & Vardaman, 2010). Specific, measurable, achievable, realistic and time framed objectives, training and praise are some of the solutions for creating a meaningful work environment (Armstrong, 2006). Premature terminations can also be averted through the use of effective reviews (Abdali, 2011).

2.8.1.5. **Job Embeddedness**

The three (3) connection types that cause employees to be deep-seated within the organisation include sacrifice (opportunity costs of leaving the current job), fit (rapport with job, organisation and community) and links (with colleagues, groups and relatives) (Allen, Bryant & Vardaman, 2010). One (1) way of retaining employees is to embed them in their jobs and communities, creating barriers to quitting using the links, sacrifice and fit connections (Allen, 2008).

2.8.1.6. **Job Satisfaction**

Job satisfaction, not only reduces employee turnover, but also creates a conducive work climate (Rehman, 2012). Retention strategies therefore need to look beyond
dealing with job dissatisfaction if they are to succeed (Holtom, Mitchell, Lee & Inderrieden, 2005). The job-related factors contributing to job satisfaction include challenge, job status, and autonomy (Borstorff & Marker, 2007).

Using Herzberg’s two (2) factor theory, motivators are job intrinsic variables, while dissatisfiers are from factors external to the individual’s job (Samuel & Chipunza, 2009). What is important to note is that the extrinsic variables, though they are not motivators, are required for balance and making employees happy, as ‘hygiene’ factors (Samuel & Chipunza, 2009, p.412). The limitation of motivation theories is the focus mainly on the task accomplishment as opposed to retaining employees (Collings & Mellahi, 2009).

2.8.1.7. Effective Recruitment

Contrary to the belief that most cases of voluntary employee turnover are not avoidable, managers can play an influencing role by effective management of entry into the organisation and the work climate (Allen, Bryant & Vardaman, 2010). It is argued that the quality of recruitment, employee performance assessment affects levels of involuntary employee turnover (Bawa & Jantan, 2005). Conducting thorough checks to avoid employing job hoppers in the first place helps to manage employee turnover (Zyl, 2011). It takes time to find the right people who will stay for longer and Lockwood (2006) notes that in 2004, for the 500 vacancies arising in Yahoo; 6,000 hours were spent interviewing candidates, which translates to 12 hours for each vacancy.

2.8.1.8. Employee Engagement

Employee engagement can help reduce employee turnover (Allen, Bryant & Vardaman, 2010). This is because employee engagement is believed to be a source of greater commitment from employees (Kim & Mauborgne, 2005). Effective strategies are those that provide an opportunity for growth as employees commit themselves where they feel the employer has invested resources in them
McPheat (2013) points out that employee engagement goes through four (4) stages as follows:

1. It is transactional, where the employer buys an employees’ time through salary disbursements, where the employee contribution satisfices only.
2. The employees ‘buys’ into organisation’s vision and understand their role in the bigger picture and therefore willing to assume responsibility.
3. There is result ownership as shown by assuming of personal responsibility and pride for work. The push is the ‘want’ to do well as opposed to the ‘need’ to excel.
4. This involves unwavering and total commitment and personally taking ownership of results and not blames extraneous factors for failures.

However, one may argue that level four may not be achieved as employees also have other things outside work to commit to.

2.8.1.9. **Supervision and Effective Human Resources Practices**

Research has backed the adage that employees leave bad managers and not organisations more often, as the relationship quality is a key influencer of employee turnover (Allen, 2008). Pursuant to that, manager training on the employee retention measurement tools can help reduce employee turnover (Allen, Bryant & Vardaman, 2010). Constant monitoring of employee performance by managers helps the organisation to do away with ‘deadwood’ (Bawa & Jantan, 2005).

2.8.1.10. **Met Expectations**

Employees may have unrealistic expectations, which the actual outcomes or experience may fail to match, resulting in disappointment (Abdali, 2011). Inspite of
their position within the hierarchy, individuals expect their contribution to the organisation to be recognised as human beings as opposed to human resources (Kim & Mauborgne, 2005). This implies that employees do not expect to be treated as tools, but human beings with potential to help the organisation achieve its goals.

2.8.2. Case Studies

2.8.1.1. Reducing Turnover at American Home Shield

With over 1,500 employees, the yearly employee turnover rate was 89% (Allen, 2008). Yearly employee turnover costs were in excess of US$250,000. Customer loyalty and employee morale suffered as a result of the employee turnover. The solution that whittled down the employee turnover to 35% within a space of one (1) year was to carry out research and crafting appropriate programmes based on the research evidence. This case underscores the need for managers to comprehend the reasons why employees stay or quit, before crafting strategies to ensure effectiveness.

2.8.1.2. Managing Employee Turnover at UPS

UPS employees were being offered better alternatives elsewhere (Allen, 2008). UPS responded by offering more competitive offers likes above-average pay, free medical health cover to increase opportunity costs of quitting. The resultant effect was the reduction of the annual employee turnover rate to 1.8%.

2.8.1.3. Improving Leadership at SAP Americas

SAP Americas, experienced employee turnover as a result of employees feeling they were ill-treated and lack of management support (Allen, 2008). Through programmes aimed at enhancing supervisor subordinate relationships and campaigns to increase awareness of the SAP vision the company managed to reduce yearly voluntary turnover from 14.9% to 6.1%.
2.8.1.4. Conceptual Framework

![Conceptual Framework Diagram]

Figure 2.8: Conceptual Framework (Own Work).

2.8. CHAPTER SUMMARY

In this chapter, the researcher reviewed literature on the causes of employee turnover and competitive advantage. The researcher discussed relevant concepts related to causes of employee turnover, types of employee turnover, models of employee turnover, defensive and offensive strategies for dealing with employee turnover, empirical evidence and competitive advantage. Empirical evidence and lessons on the subject are also discussed in this chapter. The chapter also provides benchmarks for the discussion of results in chapter four (4). The next chapter presents the methodology of the study.
CHAPTER THREE: RESEARCH METHODOLOGY

3.0. INTRODUCTION

The methodology used by the researcher in conducting the study is laid out in this chapter. This study’s research design, philosophy, instruments, sampling methods, data collection procedures and data presentation and analysis are also outlined in this chapter. The study can be classified as both exploratory and explanatory case study.

3.1. RESEARCH DESIGN

To achieve the objectives of this study, the researcher combined both qualitative and quantitative research designs, but largely qualitative. Guba and Lincoln (as cited in Saunders, Lewis & Thornhill, 2009) argue that it is possible to use both qualitative and quantitative methods in research. The unit of analysis is TPS and the units of observation are the TPS’ managers, former employees and the TPS’ customers. Largely qualitative research requires smaller, focussed samples, as opposed to larger random samples and is multi-method in focus. Smith, Bekker and Cheater (2011) note that, qualitative research is different from quantitative research in that the former lacks quantification and statistical analysis. Ishak and Bakar (2012) point out that qualitative data is rich in nature and multi-faced and if it is well managed, meaningful findings can be extracted from the study. Smith, Bekker & Cheater (2011) assert that a qualitative design helps to get new insights into the phenomena and coming up with a deep understanding of the phenomena.

3.2. RESEARCH PHILOSOPHY

Research philosophy relates to “The development of knowledge and the nature of that knowledge” (Saunders, Lewis & Thornhill, 2009, p.107) and is determined by the
research question. There are four (4) possible research philosophies, namely positivism, realism, interpretivism and pragmatism (Saunders, Lewis & Thornhill, 2009). The researcher largely adopts the interpretivist philosophy. The interpretivist approach helps to understand the complex and unique situations of business organisations (Saunders, Lewis & Thornhill, 2009). Table 3.1 shows the elements of the interpretivism philosophy chosen by the researcher.

Table 3.1: The Interpretivist Research Philosophy

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Interpretivist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontology (Researcher’s view of reality nature)</td>
<td>Socially constructed, subjective, may change, multiple</td>
</tr>
<tr>
<td>Epistemology (Researcher’s view of what is acceptable knowledge)</td>
<td>Includes subjective meanings and social phenomena. Emphasises situation details, situation reality, subjective meanings and motivating actions.</td>
</tr>
<tr>
<td>Axiology (Role of values)</td>
<td>Values are very important in research, the researcher is part of what is being investigated and cannot be separated and so will be subjective.</td>
</tr>
<tr>
<td>Popular Data collection techniques</td>
<td>Small samples, in-depth investigations, qualitative</td>
</tr>
</tbody>
</table>

Source: Adapted from Saunders, Lewis and Thornhill (2009, p.119).

3.3. RESEARCH STRATEGY

3.3.1. Research Approaches

The researcher makes use of the case study approach to help focus and gather detailed information relating to the employee turnover problem and for theory validation. The study is an embedded case study and is concerned with the organisation as a whole. A case study is an empirical study of a certain occurrence in an actual life circumstance utilising a multiplicity of multiple sources of substantiation (Tayie, 2005; Saunders, Lewis & Thornhill, 2009). The case study approach was chosen because it provides new empirical and practical insights and reality, adding onto existing body of knowledge (Javalgi, Granot & Brashear, 2011) and has the opportunity for in-depth contextual analysis of phenomena and it has
high internal validity guarantee (Yves-Chantal, 2010). A case study is therefore suitable for explanatory and exploratory research (Saunders, Lewis & Thornhill, 2009). The disadvantages include general lack of scientific rigor and being not easily open to inferences (Tayie, 2005). The weakness can be overcome through complementing it with quantitative research as in this study.

3.4. POPULATION AND SAMPLING TECHNIQUES

3.4.1. Population

The target population is the 29 TPS staff within TPS based in Harare, 15 former employees and 18 TPS’ customer organisations.

3.4.2. Sampling

Fox, Hunn and Mathers (2007) and Marshall (2006) stress that, given that the goal of qualitative research is more of providing a comprehension and providing meaning to social phenomena, as opposed to generalising, random sampling and statistical analysis is not suitable.

3.4.2.1. Sampling and qualitative research

In qualitative research, sample sizes are usually very small, making the use of statistical analysis not possible or feasible (Fox, Hunn & Mathers, 2007). Qualitative research includes smaller samples difficult for one to have a representative sample, with large sampling error and biases (Marshall, 2006). It is also difficult to know all key attributes of the population, which are in most case not normally distributed, disqualifying use of probability (Marshall, 2006). It is also common to have ‘richer’ research subjects providing better insights into the problem under study than others in the population (Marshall, 2006).

There are no clear cut rules for qualitative research sample sizes, unlike quantitative research, resulting in heavy reliance on smaller richer for in-depth and detailed data
(Tuckett, 2004). As such it is argued that the issue of appropriate sample size is more important for quantitative research due to the need to generalise findings (Fox, Hunn, and Mathers, 2007). The sample is largely determined purposefully as opposed to randomly, where sampling continues till there is either information redundancy or there is no more new information coming up (Tuckett, 2004).

Black (2006) mention two (2) main types of sampling as random (probability) sampling and non-random (non-probability) sampling. Random sampling is considered not suitable for qualitative studies for practical and theoretical reasons (Marshall, 2006). Random sampling techniques include, simple random, stratified simple random, systematic sampling and cluster sampling (Black (2006). Non random sampling techniques include judgement sampling, quota sampling, convenience sampling and snowballing.

Simple random sampling involves selecting the sample randomly for example using random numbers (Fox, Hunn, and Mathers, 2007). Convenience sampling is a cost effective method where the research subjects are chosen based on accessibility to researcher. The disadvantage is the possibility of producing poor data (Marshall, 2006). It is argued that in qualitative studies, there is an element of convenience sampling (Marshall, 2006). Under systematic sampling the first person selected randomly and thereafter systematically after each nth individual (Fox, Hunn, and Mathers, 2007). When using stratified random sampling, the selection of sample elements is done using certain categories in the population (Fox, Hunn, and Mathers, 2007). Under quota sampling, attributes used to sample are considered in advance by the researcher for example age and sex (Fox, Hunn & Mathers, 2007).

The researcher made use of purposive sampling method. There is some element of stratification as researcher approached managerial staff.
3.4.2.2. Purposive Sampling

Purposive sampling is chosen as the method of choice because it is ideal when dealing with small samples, where the focus is on key themes, in-depth study and the advantage is that the relative costs are reasonable (Saunders, Lewis & Thornhill, 2009). More so, it is appropriate since it involves sampling informants with a specific type of knowledge or skill, case studies and when the population is too small for a random sample (Tongco, 2007). Greener (2008) concurs by mentioning that it is particularly useful in qualitative research, particularly case studies. Generalising the results is not the goal, but the description or explanation of phenomena within a smaller group of people (Dawson, 2002).

3.4.2.3. Sample Size

All the eight (8) TPS managers highlighted in table 3.2, 18 TPS electronic payments solutions customer organisations and the 15 former employees have been considered in the survey as they are a small population. Despite being small, the sample provides the information required to fulfill the objectives of this study. In largely qualitative research it is important to conduct sufficient interviews till a saturation point is reached (Saunders, Lewis & Thornhill, 2009). Dawson (2002) concurs by arguing that under purposive sampling techniques, it may not be easy to specify the sample size from the onset of the research, but the researcher need to continue applying the chosen method, till the saturation point is reached.
Table 3.2: Sample Size and Composition for TPS staff

<table>
<thead>
<tr>
<th>Category</th>
<th>Targeted number of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>1</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>1</td>
</tr>
<tr>
<td>Head of Sales and Marketing</td>
<td>1</td>
</tr>
<tr>
<td>Technical Services Manager</td>
<td>1</td>
</tr>
<tr>
<td>Finance and Administration Manager</td>
<td>1</td>
</tr>
<tr>
<td>Technical Lead</td>
<td>1</td>
</tr>
<tr>
<td>Postilion Systems Manager</td>
<td>1</td>
</tr>
<tr>
<td>Point of Sale Systems Manager</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

Source: Adapted from TPS 2012 Staff Extension list

3.5. DATA COLLECTION METHODS

Data sources can be classified into primary and secondary. A number of research strategies are available for data collection, namely, experiment, survey, case study, action research, grounded theory, ethnography and archival research (Saunders, Lewis and Thornhill, 2009). Primary data may be collected through; experiments, surveys (sample surveys or census surveys), observation and personal interviews (Jogulu & Pansiri, 2011). Bansal and Corley (2012) stress that, seeing there is considerable latitude in the methods of data collection and analysis in largely qualitative research and it is vital for the researcher to offer a rich account of data sources and analysis.

3.5.1. Primary Data

A number of methods are available for primary data collection namely observation, interview and questionnaires (Kothari, 2004). The objective of data collection is the gathering of rich primary data, concomitantly observing ethical issues (Yves-Chantal, 2010). Saunders, Lewis and Thornhill (2009) note that a number of case studies are based on interviews carried out over short time periods. The researcher therefore utilises personal interviews targeted at TPS' managerial staff and questionnaires for
former TPS employees and TPS customers to collect primary data. Managerial staff is chosen as they are believed to have the capability to respond to the interview questions, by virtue of being involved in the day-to-day management of TPS. Saunders, Lewis and Thornhill (2009) also note that managerial staff is likely to agree to interviews as opposed to questionnaires. Post-exit surveys rely on the ethics of the respondent for honest feedback and Zyl (2011) suggests the following measures for ensuring that one gets true and accurate feedback include the following:

i. Confidentiality assurances on the reasons for parting ways with the organisation;

ii. Assuring them that there will be no retaliation and those remaining behind will not be made to suffer because of the feedback provided;

iii. Anonymous surveys; and

iv. If they believe the organisation has fixed past problems.

3.5.1.1. Personal Interviews

Dawson (2002) highlights that interviews can be conducted face-to-face or over the phone and can be structured, semi-structured or unstructured. Interviews are suitable for intensive investigations (Kothari, 2004). Interviews are assumed to help get the most accurate information (Appannaiah, Reddy & Ramanath 2010) and provide new insights of phenomena understudy (Folkestad, 2008). The advantage of personal interviews is that they cater for all types of persons whether educated or uneducated. Personal interviews enable the collection of detailed information from a small sample of respondents (Tayie, 2005). The disadvantage of interviews is the use of small, non-random samples, problems relating to generalisations and interviewer bias (Tayie, 2005).
3.5.1.1. Semi-structured interviews

The researcher made use of semi-structured interviews with a list of questions for interviewees. Semi-structured interviews are chosen because they enable the probing of answers, explanations of responses and provide assurance to the researcher, especially in interpretivist epistemology (Saunders, Lewis & Thornhill, 2009) increasing the depth of data obtained in the process. The researcher chose the interview method because he values more highly personal interaction with research subjects. The interviews may vary from one interview to another and some questions may be omitted in some instances and the order in which the questions are asked may also vary (Saunders, Lewis & Thornhill, 2009). The disadvantage is that this reduces the comparability of the interviews. An interview summary form, which details the time, place, interviewee, duration, content and themes evident, will be produced after each interview (Dawson, 2002).

3.5.1.2. Questionnaires

Questionnaires refers to “A general term to include all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order” (Saunders, Lewis & Thornhill, 2009, p.360). The researcher took cognisant of the need to design the questionnaire so that it collects precise data for achieving objectives set. The questionnaires comprised of both closed and open ended questionnaires, but largely closed. Some of the merits and demerits of questionnaires cited by Kothari (2004) are as follows:

**Merits**

i. They are relatively economic for dispersed populations;

ii. They are free from interviewer bias; and

iii. They allow respondents ample time to respond and provide well thought out responses.
Demerits

i. They have high non-response rates;

ii. Mostly suitable for educated respondents; and

iii. Control over the questionnaire is lost once it is sent.

All the questionnaires for surveying former TPS employees were sent through the email, while four (4) out of the 18 questionnaires for surveying TPS customers were administered telephonically, while the rest were sent via e-mail as the respondents were out of town.

3.5.2. Secondary Data Sources

Secondary data is data which has been collected by individuals or agencies for purposes other than those of a particular research. Previous similar studies can also be used as secondary data sources. Advantages of secondary data are that it saves administrative time and money, can be used for comparison with the collected data, are less biased and are of high quality. The disadvantages are that access may be difficult and the data could have been collected for a different purpose. Obtaining records often requires special permission from senior officials within an organisation (Jogulu & Pansiri, 2011). Some of the secondary sources used include books, articles, journals, websites, TPS internal reports and records and previous researches on the subject.

3.6. RESEARCH PROCEDURE

3.6.1. Reliability

Eisenhardt (as cited in Yves-Chantal, 2010) observed that researcher’s rigor affects the reliability and validity of results in case study approaches. Qualitative research accuracy and credibility is enhanced through collection of adequate data on the phenomenon (Bourgeault, 2012). Under case study research, generalisation is not
the goal, but the explanation of what is happening in that setting (Saunders, Lewis & Thornhill, 2009).

Reliability is impacted by the non-standardised interviews (Saunders, Lewis & Thornhill, 2009). Interviewer bias, imposing of beliefs and frame of reference also affect the reliability of the study. However, qualitative interviews under case study and unrepresentative samples, the findings are not necessarily intended to be reproducible as they reflect reality at the time of collection (Saunders, Lewis & Thornhill, 2009). Other researchers may refer to the research design, choice of strategy, methods and data obtained in order to understand the processes and findings of this study. Data triangulation is necessary for one to generate conclusive evidence (Ishak and Bakar, 2012). Bogdan and Biklen (2006) add investigator, theory and methodological triangulation to the list. The researcher used data, theory and methodological triangulation to promote a high degree of data integrity.

Some questions were asked differently as a way of ensuring truthful responses and consistency. A pilot study helps to test the intended data collection instruments before the main study and acts as a validating mechanism for the research process (Secomb & Smith, 2011). As such, the researcher piloted the interview guide on three interviewees, who are managerial staff and the questionnaires on three (3) respondents (both managers and customers) also. The main objective of the pilot testing is to check the accuracy, reliability and validity of the questions before embarking on a full scale study. The researcher made corrections after getting the results of the pilot study.

3.6.2. Validity

This is the degree to which the research instrument measures what it is intended to (Leedy and Ormrod, 2010). An unbiased sample is vital for external validity, despite having internal validity and reliability (Fox, Hunn, and Mathers, 2007). Leedy and
Ormrod (2010, p.29) point out that “reliability is a necessary but insufficient condition for validity”.

### 3.6.3. Data Analysis Techniques

Factors affecting the choice of the method of analysis include the topic under study, time, finances, preferences and equipment (Dawson, 2002). The essence of non-numeric data poses implications on how to analyse it (Saunders, Lewis & Thornhill, 2009). Kvale (as cited in Saunders, Lewis & Thornhill, 2009), suggest that data analysis may even start during collection as well as after.

#### 3.6.3.1. Objective of Data Analysis

The aim of data analysis is the description and interpretation of the range of attributes associated with the phenomena under study (Smith, Bekker & Cheater, 2011). It involves purging data into relevant format, coding, analysis and case narrative (Yves-Chantal, 2010).

#### 3.6.3.2. Quantitative Data Analysis

Statistical analysis for quantitative data was done using the Statistical Package for the Social Sciences (SPSS) and Microsoft Excel. SPSS is widely used for summarising data, computing means, analysing variances, t-tests, doing correlations and producing graphs (Bigham, 2007).

#### 3.6.3.3. Quantitative Data Analysis Processes

The researcher edited, coded and input the data into SPSS. The outcome of the process of data coding and inputting is a data matrix. Different codes were used for
the variables. Saunders, Lewis and Thornhill (2009), note that, except for certain data types, all data needs to be recorded using numerical codes and each variable needs to have a code.

3.6.3.4. Qualitative Data Analysis

Dawson (2002) argues that “Qualitative data analysis is a very personal process” (p.110). Analysis is affected by the researcher’s contextual understanding and standpoint (Greener, 2008). If two (2) researchers were to be given a single script, they would interpret it differently and come up with different results. Dawson (2002) concurs with this assertion by highlighting that qualitative data analysis varies with researchers as different results may emerge from the same piece of work due to different backgrounds and viewpoints.

3.6.3.5. Qualitative Data Analysis Processes

Folkestad (2008), Taye (2005) and Saunders, Lewis & Thornhill (2009) stress that the major difficulty with qualitative research is the lack of well formulated data analysis methods. The three (3) steps provided by Bazeley (2009) the researcher utilised include describing, comparing and relating. Unlike quantitative research, analysis can be an ongoing exercise in qualitative research, involving an iterative process of refining and reorganisation in the face of new findings (Dawson, 2002).

The starting point is open or initial coding (gradual build-up of categories) and then axial coding (the linking of connections between categories) (Bryman & Burgess, 2002). Codes sort, consolidate and summarise observations from data (Bryman & Burgess, 2002). As a result of the process of looking for patterns, repetitions, inconsistencies, surprises and divergent views, concepts are generated (Bryman & Burgess, 2002). Comparative analysis is conducted, which involves the comparison of data from different research subjects (Dawson, 2002).
3.7. DATA PRESENTATION

The researcher presents the data by way of summarising, categorisation and where it may be possible statistics and diagrams are used for certain data categories. Examples include the counting of frequency of events or specific reasons and present it in the form of a table. Saunders, Lewis and Thornhill (2009), suggest that the researcher should record contextual data like respondent demographic details (role, title, gender) and immediate impressions. To avoid data fragmentation key quotes have also been used.

3.8. RESEARCH LIMITATIONS

A number of caveats need to be noted regarding this present study. The sample size is too small to allow the researcher to do some cross tabulation to test the association between variables; hence there are no cross-tabulations to test the strength of relationships between or among variables. The researcher being a sales person spends hours working on proposals and travelling leaving him with a tight schedule and less time for academic work. To circumvent this, the researcher put in extra effort, including taking time off work to on this research. The case under study is a private limited entity and the issues to do with confidential information limited the type and amount of information that could be disclosed. Due to the economic challenges that are tormenting the economy, these did not spare the researcher. Funding required for transport, internet browsing, printing and stationery was not adequate.

3.9. CHAPTER SUMMARY

Section 3.1 introduced the chapter, while the research design is provided under section 3.2. The research philosophy is provided in section 3.3 and section 3.4 details the research strategy, including the research approaches. The population and sampling techniques are provided in section 3.5, with data collection instruments and
sources provided in section 3.6. Section 3.7 discussed the research procedure and addressed the key issue of reliability and validity, while data presentation and research limitations are provided in sections 3.8 and 3.9 respectively.
CHAPTER FOUR: RESULTS AND DISCUSSION

4.0. INTRODUCTION

This chapter presents the results of this study, including response rates and demographic data of respondents. It provides a discussion of findings from the study, including recommendations. This chapter provides a basis for the discussion and recommendations discussion in chapter five (5).

4.1. RESPONSE RATES

A total of nine (9) out of the 15 questionnaires the researcher sent out to former TPS employees were returned giving a response rate of 60%. A total of 18 questionnaires were sent out to TPS’ customers and 10 were returned, giving a response rate of 55.56%. With regards the interviews, eight (8) had been scheduled with the TPS’ managers and the researcher managed to conduct six (6) interviews, giving a response rate of 75%. The response rates were fairly good and the quality of results has not been compromised. Furthermore, the use of method and data triangulation helps to improve the validity of the results. The response rates are summarised in table 4.1.

Table 4.1: Response Rates

<table>
<thead>
<tr>
<th></th>
<th>Planned</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-exit interviews</td>
<td>15</td>
<td>9</td>
<td>60%</td>
</tr>
<tr>
<td>TPS’ customers interviews</td>
<td>18</td>
<td>10</td>
<td>56%</td>
</tr>
<tr>
<td>TPS’ managers interviews</td>
<td>8</td>
<td>6</td>
<td>75%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>
4.2. DEMOGRAPHIC DATA

For TPS’ customer respondents, eight (8) respondents use TPS’ Point of Sale (POS) and Postilion solutions; while two (2) use POS solutions only. For the post-exit surveys, eight (8) are males, while one (1) is a female (Frequency table 4.2 below) and of these seven are in the age range 20-30, while two (2) are in the age range 31-40 (Frequency table 4.3). This may be implying that TPS employs more male employees than female employees or possibly that employee turnover is less with female employees. Another implication of these results may be differences in risk averseness and value systems. In one study, women were found to be loyal compared to men (Abdali, 2011). The majority of the respondents are 30 or less and this may suggest employee turnover is high among younger employees, who may not have family commitments to tie them to their current employers. Curran (2012) highlights that some authors found out that older employees are more content with their job than their younger counterparts, while other researchers note that there is no significant relationship.

**Table 4.2: Gender**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1</td>
<td>11.1</td>
</tr>
<tr>
<td>Male</td>
<td>8</td>
<td>88.9</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Table 4.3: Age Range in Years**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>7</td>
<td>77.8</td>
</tr>
<tr>
<td>31-40</td>
<td>2</td>
<td>22.2</td>
</tr>
<tr>
<td>Frequency</td>
<td>20-30</td>
<td>7</td>
</tr>
<tr>
<td>-----------</td>
<td>-------</td>
<td>---</td>
</tr>
<tr>
<td>31-40</td>
<td>2</td>
<td>22.2</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the results of the former TPS’ employee survey, six (6) of the respondents have a university degree, while two (2) have a postgraduate degree and one (1) has a higher national diploma as their highest qualification. Of these respondents, five (5) were engineers, two (2) were sales representatives, while entry level and middle level managers were one (1) each. Engineers are some of the key resources required by TPS for solution delivery and ongoing support. In terms of departments, two (2) were in Sales and Marketing and Postilion Systems, while five (5) were in Point of Sale Systems department. The results also show that four (4) of the respondents had been with TPS for less than one (1) year, with another four (4) in the 1-5 years range and one (1) in the 6-10 years range.

Please note that the sample size is too small to allow the researcher to do some cross tabulation to test the association between variables, hence there are no cross-tabulations to test the strength of relationships between or among variables.

4.3. FINDINGS

4.3.1. Causes of Employee Turnover at TPS from 2009 to 2012

From the study, the leading causes of employee turnover are lack of room for advancement, stressful work environment, absence of job security, seeking new challenges, poor relationships with managers, absence of recognition and better remuneration elsewhere as shown in figure 4.1.
These results tally with a survey of 4,000 employees in Zimbabwe, where some of the reasons why employees may leave their existing employer included lack of recognition, dislike of job structure and nature, absence of room for learning and development, lack of benefits and not enough pay (Nguwi, 2013). The result however contradicts the findings of a study of 60,000 exit surveys and research effort over a 20-year period done by the Saratoga Institute which found that 80% of employee turnover is traced to poor relationships between the manager and their subordinates (McPheat, 2013).

On the other hand, Curran (2012) argues that the real reasons for turnover may not be disclosed as employees would still want to refer to their previous employer for reference and try by all means to portray a positive picture of their previous employer. The reason for the distortion is the tendency to avoid painting a negative picture of their former employer, as they may need references (Allen, 2008). Allen’s line of thought aligns with the Shona idiom that encourages graceful exit, so that
should one find the new environment uncomfortable they can easily revert to their former employer, should the opportunity to do so be available.

Exit surveys may not generate reliable information and segmentation of the former employees and method of triangulation may help to improve the credibility of the results (Armstrong, 2006). The degree of validity is increased by the fact that the results from TPS managers’ interviews also cited most of these reasons. Furthermore, Rehman (2012) suggests that the positive utilisation of exit survey data helps to control employee turnover and the crafting of an effective strategy for retaining employees. Holtom, Mitchell, Lee and Inderrieden (2005) highlight that, despite the questions raised against exit surveys; there is agreement that they are a useful tool in the manager’s tool kit. The reasons cited by the TPS managers interviewed are split into push and pull factors as follows:

### 4.3.1.1 Push Factors

Some of the push factors that the interviewees believe are causing employee turnover at TPS are as follows:

1. Employees were not seeing any growth in terms of their career as well as personal life, for example employees feel that it was not possible to own a home whilst working at TPS;
2. Low salaries compared to the global labour market and other companies in the region and some employees feel that there was too much work for too little pay;
3. There was also the issue of non-payment of allowances for engineers when they are outside the country which triggered the quitting of software engineers;
4. Lack of staff motivational schemes, for example all employees are bundled under the same basket; there should be more emphasis on distinctiveness for the expert employees;
5. Employees feel the benefits are quite minimal compared to what others in the group are enjoying;
vi. For most of the junior employees the social contract is not as strong and employees are searching for a better paying job; and

vii. Insensitive management to employees’ plight and communication gap between employees and management.

4.3.1.2. **Pull Factors**

Some of the pull factors that the interviewees believe are causing employee turnover at TPS are as follows:

i. There are a lot of perceived benefits by employees who leave TPS’ employment;

ii. The industry that TPS operates in is specialised and certain employee skills are most sought in the region, especially for POS and Postilion software engineers;

iii. Better working conditions, benefits and salaries from outside the country; and

iv. Better incentives and remuneration in other organisations, opportunities for growth, encouragement of personal development for example banks.

Considering the points raised by the interviewees, push factors may be exerting more force than push factors.

4.3.2. **Employee Turnover Intentions at TPS**

The general feeling is that there are still a high number of some employees contemplating leaving TPS. One interviewee highlighted that those employees with external opportunities have high intentions and that “It was only a matter of time unless the company takes drastic measures to address the issues causing employee turnover”. This shows that given an option a number of employees may quit, especially among the technical staff. Mbah and Ikemefuna (2012) mention that employee turnover intention is recommended as a more useful measure as the actual turnover itself. Allen (2008) concurs with this assertion and points out that the intention to leave needs to be continually assessed as it is a good predictor of actual
quitting. Using meta-analysis, (a technique of summarising a number of research findings to estimate the strength of a relationship), the most important variables that need monitoring include turnover intentions, withdrawal intentions and job search (Allen, Bryant & Vardaman, 2010).

An interviewee revealed that some of those individuals who were leaving painted a rosy picture of their expected future, shared with their colleagues their offer letters and this put pressure on the remaining employees to consider moving as well, resulting in a contagious effect. Rehman (2012) notes that employee turnover has after effects for both the employee and the organisation as highlighted above. This has been mainly confined to the Technical Services departments, where the most experienced engineers are found. This is in line with Allen (2008)’s argument that the quitting of employees who are highly connected socially negatively affects performance. However Abdali (2011) found that the strong tie between employee groups is a cause of employee turnover to a small degree.

Another interviewee mentioned that “It is not that we are good employers, but the options are not that many”. The following additional primary data from the post-exit surveys helps to understand further the causes of employee turnover and the extent of the employee turnover problem.

4.3.3. Extent of Skills Utilisation

The majority of respondents noted that skills utilisation was moderately and slightly effectively utilised. Of these, four (4) respondents and three (3) respondents each indicating moderately effectively and slightly effective utilisation of skills respectively, while two (2) respondents indicated that their skills were effectively utilised. This shows that TPS offers room for employees to utilise their skills. “People who dislike their jobs will try to find alternative employment” (Curran, 2012, p.17). This may in turn increase job satisfaction. Job satisfaction is an employee turnover leading
indicator (Appelbaum, Mitraud, Gailleur, Lacovella, Gerbasi & Ivanova, 2005), hence organisational factors matter compared to attitudinal factors on the decision to stay.

4.3.4. *Extent of Professional Growth*

The results show that, whilst employed by TPS, (5) out of the nine (9) respondents experienced moderate growth, while four (4) received little professional growth. This implies that the level of professional growth ranges from average to little. Managers need to scout for opportunities to involve actively their team members for greater commitment (McPheat, 2012). Developing employees helps to fortify the organisation-employee bond and reducing the turnover intentions especially the high performers (Shoaib, Noor, Tirmizi & Bashir, 2009). Where the organisation demonstrates a high commitment to employee development, it engages the employees more, thereby reducing employee turnover (Lockwood, 2006). It is believed that those employees committed to put in extra 20% effort are 87% less likely to opt to quit their jobs (Lockwood, 2006).

4.3.5. *Level of Pay and Rewards for Work*

With regards to pay, during their tenure at TPS the majority of respondents six (6) were slightly well paid, while three (3) were not well paid at all. Concerning rewards in general, five (5) of the respondents felt that they were not at all consistently rewarded for their efforts, with three (3) respondents indicating slightly consistently rewarded respectively and one (1) moderately consistently rewarded as shown in figure 4.2 below. The implication of this is that these results explain why pay was also cited as the top cause of employee turnover at TPS. This may also be reflective of the poor financial performance experienced by TPS during the period under study. It is believed that a poor organisational performance and employee turnover goes hand in hand (Rehman, 2012).
4.3.6. Treatment by Manager

In terms of treatment by the manager, five (5) respondents were slightly fairly treated by their managers, two (2) were moderately well treated and another two (2) were treated very well. This shows that though there is room for improvement, there were no employees being out-rightly unfairly treated, based on these results. Khatri, Gupta, Gulati and Chauhan (2010) argue that fairly treated employees have a higher chance of being happier, motivated and productive. Walia and Bajaj (2012) notes that the supervisor is the “human face” (p.838) of the organisation and the expectations of employees from supervisors include being known, understood and fairly treated.

4.3.7. Perceptions of the Manager’s Decision Making

Most of the respondents (6 out of 9), believe their manager’s decision making was moderately reasonable, while two (2) believed it was slightly reasonable and one (1) noted it was very reasonable. The implication of these results is that managerial decision making is largely sound. This may also be as a result of the fact that most of

Figure 4.2: Rewards Consistency
the managers interviewed are either Master of Business Administration (MBA) holders from reputable institutions or are studying towards one.

4.3.8. Frequency of Subordinate Input Consideration by the Manager in Decision Making

The majority of the respondents were slightly and moderately often involved in decision making while at TPS, save for one (1) who was very often involved. This may be a signal that their roles did not allow for greater involvement in decision making. It may also imply that there is lack of mechanisms or willingness on the part of managers to harness their subordinates’ input and the organisation may be missing out a lot of good ideas. This also increases employee turnover as there is little involvement. According to Henry Mintzberg (as cited in McPheat, 2013), “Managers should function so that people can be naturally empowered”. Managers need to encourage and leave room for excellent employees so that they unleash their best. Employees like to be involved in decision making that regards them and there is a strong relationship among decision making, involvement, satisfaction with the job, service delivery and employee turnover rates (Curran, 2012). The results are shown in table 4.4 below.

Table 4.4: Frequency of Subordinate Input Consideration by the Manager in Decision Making

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very often</td>
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<td>11.1</td>
</tr>
<tr>
<td>Moderately often</td>
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<tr>
<td>Slightly often</td>
<td>4</td>
<td>44.4</td>
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<tr>
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<td>1</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The consideration of individual values in decisions helps to create an amicable work climate (McGuire, Garavan, Saha & O’Donnell, 2006).


4.3.9. **Employee Issue and Problem Handling**

From the results, one (1) respondent noted that their problems and issues were well handled by their manager, while six (6) others noted that their issues and problems were slightly well handled and two (2) respondents indicated that their problems and issues were moderately well handled. Only one (1) respondent noted that they were not well handled. The implication of this is that problem and issue handling may not be a major issue, but it is also important to investigate why the problems and issues of the other respondents were not well handled so as to improve on overall problem and issue management.

4.3.10. **Work-Social Life Balance**

From the former TPS employees’ survey, six (6) respondents noted that their work social life was not at all well balanced at all, with three (3) respondents indicating that it was slightly well balanced. The stressful work environment cited by respondents may also be attributed to this. Stressful jobs are touted as some of the causes of voluntary turnover (Curran, 2012). Interview feedback seems to offer some explanation to the imbalance. An interviewee noted that work schedules were based on customer needs and timelines have to be adhered to, with some liquidated damages in some instances for delays. As such, employees will be under pressure to deliver projects within timelines agreed with customers.

An interviewee noted that there was little or no work flexibility. Empirical evidence attributed reduced work-life conflict to the adoption of flexible working hours (Beauregard, Alexandra & Henry, Lesley, 2009). Another interviewee noted that there was a lot of work due to the retrenchments done by TPS in 2011, as some departments were either thin on resources or understaffed. Allen, Bryant and
Vardaman (2010), explains this situation by arguing that lay-offs usually lead to increased rates of quitting for those who survive. Another interviewee pointed out that the result is that employees normally find themselves having to put in extra hours affecting work-life balance. There is no overtime payment, but days accrue in lieu of leave. Asquith, Sardo and Begley (2008) point out that a low work-life relationship increases employee turnover.

4.3.11. **Job Security Level**

The majority respondents, (7) each noted that their jobs were slightly well secured, while one (1) indicated that it was extremely well secured and another respondent noted that their job was not at all well secured. TPS has not been performing well during the period under study and this may be the explanation for the high job insecurity. Furthermore, some employees had been retrenched also and the remaining ones were uncertain about the company’s future. This implies that once employees got an opportunity in another stable organisation, they may consider it.

4.3.12. **Work Environment Comfort**

With regards to the work environment, a total of seven (7) respondents were in the not comfortable at all range, with two (2) mentioning that they were slightly comfortable with the TPS' work environment. This implies that there is room for TPS to improve the organisational climate and make it more comfortable and improve these ratings. This may also explain why a number of respondents cited a stressful work environment as one of the leading causes of employee turnover. An interviewee cited the existence of tight schedules with no recognition. Shoaib, Noor, Tirmizi and Bashir (2009) recommend that the provision of “a prolific, flexible and dynamic work environment” (p.3) may help to retain valuable talent. Kuria, Alice and Wanderi (2012), stress that a quality working environment may discourage turnover tendencies as it may increase employee satisfaction. Job fit is viewed as being positively related to job satisfaction and empirical evidence also show that of those
employees that voluntarily quit, half cite an improper job fit, including to their value system (Curran, 2012).

4.3.13. **Overall TPS Liking**

Overall, four (4) respondents disliked TPS a great deal and another three (3) liked TPS moderately. One (1) respondent liked TPS a bit with another one neither liked nor disliked TPS. The results are displayed in figure 4.3.

![Overall TPS Liking](chart)

*Figure 4.3: Overall TPS Liking*

This implies that the majority of respondents generally disliked TPS and there is need to take measures to make the stay at TPS enjoyable and meaningful.

4.3.14. **Joining TPS Again**

From the survey of ex-TPS employees, given a choice, four (4) would never consider joining TPS again, three (3) may consider it and two (2) were not sure. The
implication of this may be that if the causes of employee turnover are addressed five (5) employees may re-join TPS. The summary is shown in table 4.5 below.

**Table 4.5: Re-joining TPS Again**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
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<td>3</td>
<td>33.3</td>
</tr>
<tr>
<td>Not sure</td>
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<td>22.2</td>
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<tr>
<td>Not at all</td>
<td>4</td>
<td>44.4</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.3.15. Recommending TPS to Other Prospective Employees**

The results show that eight (8) respondents noted that they will slightly likely recommend TPS, while one (1) respondent noted they will moderately likely recommend TPS. This is also linked to the level of TPS liking rating, where the majority disliked TPS.

**4.4. ASSESSING THE TPS EMPLOYEE RETENTION STRATEGY**

All the interviewees underscored the need to retain employees. This increased interest in employee retention is in line with what Luna-Arocas and Camps (2008), stress, that the effects of employee turnover have heightened the attention to employee retention practices at the firm level. From the interviews, it is important that TPS manage employee turnover for continuity, customer satisfaction, avoiding the period of training new and sometimes inexperienced staff and costs of monitoring. One of the interviewees underscored the need to retain employees, by noting that, “For a knowledge based organisation it is vital to retain knowledge workers”.

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4.4.1. Extent of Retention Efforts

There were mixed feelings on the extent of employee attraction and retention. An interviewee noted that retention was successful to a limited extent, as viability challenges had been a draw-back to dealing with the ‘bread and butter’ issues. As such, employees always remain restless. Another interviewee noted that there have not been a company-wide retention inducements for example housing and car loans and clear career path goals. These may reduce the opportunity costs of quitting. Allen, Bryant and Vardaman, (2010) point out that when the carrot (tangible and intangible inducements) is equal or greater than the stick (organisational demands), employees continue to abide within the organisation and this is further affected by the easiness with which employees may quit the organisation, availability of and the propensity to do so.

An interviewee noted that “Employees were demanding salaries that the employer is not ready to pay and so employees are proceeding to leave”, while another noted that “Staff retention is poor”. To explain this issue, one interviewee noted that it may be that the business model has limited TPS’ ability to define and implement such policies. The TPS business model has been mainly based on once-off selling and with limited annuity based revenue model posing cash flow challenges. Another interviewee pointed out that one of the measures to retain engineers was the re-introduction of the travel allowance to ensure that staff motivation improves.

4.4.2. Factors Persuading Employees to Stay with TPS

Some of the reasons persuading employees to stay at TPS cited by the interviewees include being part of a bigger group, exciting challenges offered by some of the jobs, limited opportunities as the industry that TPS is in is much specialised and people do not have a lot of options in terms of alternative employment and personal achievement for those who are hungry for knowledge will stand to gain. An interviewee hinted that many employees are hopeful that the seasons are shifting
and that their future at the company will be bright. It was noted that for the first time since dollarisation, the company is expected to be profitable when the year closes at the end of February 2013. It is evident and would suffice to say that save for exciting jobs, employees stay because of circumstances, not because they would want to stay.

### 4.4.3. Current Measures for Retaining Employees

There were mixed responses from interviewees regarding the measures in place for retaining valuable employees, but the recurring perception echoed by the bulk of the interviewees was that not much was in place to curtail employee turnover. One interviewee highlighted that “There are no measures at the moment although they are important, but this is work in progress. The company is planning to offer competitive conditions of service”. This also explains why there was no mention of organisation initiated retention factors above. The management of employee turnover is challenge for many organisations (Walia & Bajaj, 2012).

Another interviewee noted that “For a long time we have had key technical resources getting a certain allowance per day that they spend outside the country on work-related assignments. The unilateral scrapping of the per diems by the TPS’ management has worked against us”. However, it was highlighted by one interviewee that the travel allowance has been reintroduced targeted at technical employees recently to ensure that we improve staff motivation. For sales personnel there is a performance based commission where sales personnel are paid a bonus for any sale that is above a certain gross margin. This commission scheme applies to everyone who is involved in the selling process and includes technical personnel as pre-sales support staff.

Another measure cited by one interviewee was direct contact with employees and constantly ensuring that they are happy in terms of career paths and work challenges. An interviewee outlined that there were perks like company vehicles for
middle to senior managers. A scheme for car ownership targeted at junior managers was abandoned, after only two (2) employees had benefited as it was no longer viable given the limited cash resources. Other measures include non-contributory medical aid and pension schemes with company contributions. These two (2) measures are pretty standard in a number of organisations and they may be more like ‘hygiene factors’

**4.4.4. Success of Retention Mechanisms**

From the interviews, four (4) interviewees noted that the current measures have registered little to no success. Another interviewee noted retention mechanisms have been successful with senior managers who value personal growth and have a long term view of where they can be with knowledge acquisition. The sales commission incentive scheme has been quite successful as well, with the only challenge being the late disbursements as well as the disgruntlement in corridors from most employees who feel that sales employees and some technical employees should not benefit alone. This implies that there may be need for organisation-wide schemes so that all employees pull in the same direction and to avoid an “us versus them” mentality. The existence of certain schemes targeted at certain employee groups may imply the strategic thrust being pursued by the organisation.

An interviewee noted that they expected the technical travel allowances for out-of-the country services to be quite effective going forward. They noted that “You will note that resignations from engineers from 2009 to about 2011 were not as prevalent before these incentives were removed. After the removal of the incentives the resignations increased”. It is expected that this re-introduction may to a limited extent tame engineer employee turnover; however, the challenge is that the valence of the allowance is lower, as the amount is lower than the previously scrapped ones.
4.4.5. Measures in the Pipeline for Retaining Employees

As a result of the increased rates of employee turnover, some measures are in the pipeline for retaining employees. An interviewee said that there were some internal changes happening in the organisation and implementation of measures to retain employees has been at a slow pace due to the approval processes. Some of the measures being considered that were highlighted in the interviews include those awaiting approvals from the board (bonus payments, performance bonus based on business performance, total cost of employment) and salary rationalisation to align with the Econet Wireless group. Asquith, Sardo and Begley (2008), provide similar intervention measures derived from research evidence, namely the use of proper induction mechanisms, effective communication, offering room for learning and development, improvement in selection and improvement in pay.

Though there is an array of measures in the pipeline, what is vital is the timing of these measures and the ability to successfully implement these, being cognisant of the constraints faced by TPS. To avoid being misled by percentages from single sources, a strategic analysis approach which utilises multiple data sources in decision making has to broaden the decision scope in the employee retention programme (Allen, Bryant & Vardaman, 2010).

4.4.6. Extent of Attracting New Staff

An interviewee highlighted that TPS has been able to attract new employees but not the experienced resource, especially the much needed technical resources. Another one pointed out that “TPS has been struggling to attract employees from direct competition, as those interviewed turn down offers at last minute, even after signing offer letters”. This may imply that those prospective employees are using the TPS’ offers to negotiate better packages from their employers.
This sort of scenario leaves TPS in a ‘catch 22 situation,’ should the current employer concede to the employee’s demands. The reason being that, this increases the opportunity costs of quitting for these employees and they become further out of reach for TPS. Another interviewee concurred that TPS has failed in many occasions to lure employees working for competitors because of poor remuneration. This implies that the replacement of those who quit may be difficult for TPS and furthermore, TPS may not be able to get qualified and experienced staff. Another interviewee lamented the lack of these skilled resources in the market.

4.4.7. Identifying Performers and Non-performers and their Treatment

The general perception from the interviews was that, though performers and non-performers are identified, this is done haphazardly; it is not done systematically, but largely on a departmental basis by line managers. The identification of performers and non-performers is done through performance reviews, though this is not a company-wide initiative with senior managers not subjected to these reviews. There are targets for senior management where they are expected to meet financial and customer satisfaction targets in place though. An interviewee noted that the identification of performers and non-performers is not regular, there are no clear cut standards and it is not organisation-wide. An interviewee noted that where performance has been too dismal, employees have been ‘encouraged’ to look for other options. Another interviewee pointed out that performers were encouraged to maintain the standards and non-performers are advised to ‘pull up their socks’ or be managed out. One interviewee provided an example of training to up-skill for example developers.

Another interviewee noted that some tokens of appreciation, for example performance based salary increases were implemented. Some believed there was absence of a well laid out method for doing this though. Another interviewee noted
taking performers to lunch for example the sales department as a way of acknowledging their sales efforts. Another interviewee hinted that this is based on personal relationships between an employee and their superior. It was pointed out by one (1) interviewee that they acknowledged their staff through words of encouragement. This is in line with Shoaib, Noor, Tirmizi & Bashir, (2009), who suggest that encouragement; praise and support are some of the things that employees respond to favourably.

4.4.8. Challenges in Retaining Employees

There was general consensus from the interviewees that software engineers were the most difficult to retain, replace, costly and difficult to replace. An interviewee highlighted that engineers stay for long periods out of the country without seeing their families and there is no corresponding compensation for the inconvenience. Some of the employees have left to join companies locally and in South Africa, Tanzania, Kenya and Zambia. This may imply that TPS resources are well trained and skilled, increasing their demand and employability both inside and outside Zimbabwe. It also implies that engineers are willing to work outside Zimbabwe, if the remuneration is favourable.

It was highlighted by an interviewee that employees are getting better offers elsewhere, where competition offered better conditions of work including salaries and travel allowances. Employees also compare their earnings with their peers in the Econet Wireless group. As a group of companies employees look at how much their counterparts at either Econet or Liquid Telecom are earning, despite the differences in revenue structures. Another interviewee noted that “The filling in of vacant posts has created retention challenges as some of the would-be employees have demanded higher salaries than those on the ground. As a result of being desperate the company has acceded but the incumbent employees get to know about the offer and begin to demand those same levels of remuneration”.

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4.4.9. Employee Engagement

The common feedback from the interviewees is that the levels of employee engagement at TPS are low. Some of the measures to ensure employees remain engaged included leaving all communication channels open, being open and honest about what we are able to do for subordinates, open door policy, encouraging employees to air their views and grievances, staff meetings and regular updates on what is happening and plans. Watson (2012) highlights that a survey showed that employees who are highly engaged have a lower propensity to leave their current employer. From that survey 18% pointed out that they had high chances of going for greener pastures, compared to 24% for the poorly engaged ones.

One interviewee lamented the lack of teamwork, where individual brilliances dominate. An example cited was that some non-managerial and some instances managerial employee sometimes lack the insight that the success of one department leads to organisational success, through synergy. Another interviewee noted that there has not been strategy planning for a while and the focus has been on selling strategy. Another interviewee highlighted that as management they have not been able to passionately institutionalise and infuse the strategy within the organisation.

It is the manager’s responsibility to create an environment that causes employees to want to engage with the organisation (McPheat, 2013). One way of doing it is to provide feedback on the success registered by the company and cause employees to feel that their contribution is invaluable to that success. This helps them to become more involved and commit further for more and even better results. Managers need to share the successes that the company achieves and also to make employees feel they have a contribution to that success and identify what each one can do to take further personal responsibility for future results.

All the interviewees concurred that career paths were not well defined, despite the existence of an organogram. The implication of this is that the existence of an organogram does not guarantee the clarity of career paths, without the taking of
proper steps for making career planning a key priority area. The job grading system was noted to be ambiguous. An interviewee mentioned that as TPS is a small organisation, it not easy to define career paths. Some of the positions are already filled and will remain filled for as long as the occupants are there.

4.5. ASSESSING THE IMPACT OF EMPLOYEE TURNOVER ON COMPETITIVE ADVANTAGE

4.5.1. Employee Turnover Impact on the TPS’ Competitiveness

From the interview feedback, TPS’ competitive advantage has not been spared by employee turnover. However, another interviewee argued that though employee turnover has largely impacted negatively on competitiveness in the short term, it may be beneficial in the long term. This may be true “If TPS is able to attract better employees maybe it could be a blessing in disguise in the long term”. This line of thinking is in line with Honyenuga and Adzoyi (2012) who argue that despite the productivity and profit loss, employee turnover is not always harmful to the organisation as it is a form of natural workforce downsizing.

An interviewee mentioned that employee turnover has negatively affected TPS’ competitive capability and perception in the market as some customers are aware of the employee losses and are concerned about business continuity. Not only are certain types of employee turnovers destructive and costly to the organisation, but this may leverage competitors’ advantage if employees are lost to competitors because of skills and knowledge loss (Samuel & Chipunza, 2009). In another interview, one interviewee pointed out that the learning curve (at least six (6) months to grasp the issues for inexperienced staff) for new staff has affected the TPS customer service, following the loss of highly qualified and well experienced employees. Another interviewee stressed the existence of this problem by noting that projects are affected as new resources that are not very competent are allocated to
projects. This has resulted in projects taking longer to complete and increased customer dissatisfaction and restlessness.

An interviewee noted that the increased pressure of work on the remaining employees resulted in increased customer complaints as issue resolution is compromised and the quality of work is reduced. This is in line with Rehman (2012)’s argument that employee turnover negatively impacts the employee’s performance. The researcher gathered from another interview that customers were no longer very confident in the ability of TPS to deliver and have gone in some instances to competition without even asking TPS for a solution. To support this, Kimungu (2010) stresses that high employee turnover rates lowers service standards, leading to lower customer and eventually declining competitive advantage, as competitive advantage for service organisations comes from wooing customers. Employee dissatisfaction thus has ripple effects on customer satisfaction (Honyenuga & Adzoyi, 2012). As a way of stressing the importance of customer retention, Ang and Buttle (2006) point out for a wide range of business environments, a 5% increase for customer retention, generates between 25% and 95% value.

4.5.2. Assess the Impact of Employee Turnover on Competitive Advantage from the Customer Perspective

The results presented below are largely based on the responses from the customers surveyed. There is also use of findings from interviews and literature as a way of triangulating the findings of the study. All the respondents noted that they had changes to staff allocated by TPS to their projects due to employee turnover. The majority of respondents believe the employee turnover rates are higher than those of competitors, while three (3) respondents believed it is about the same. From the survey, six (6) respondents were moderately often notified of such staff changes, with one (1) respondent being advised often and three (3) were not advised at all.
This may also help to explain the loss of confidence on TPS' ability to provide customer solutions and on-going support and guaranteeing business continuity.

Most of the respondents noted that the professionalism of the new staff ranged from moderately five (5) to slightly professional four (4), while one (1) noted that new staff were very professional. The results show that six (6) respondents noted that new staff performed slightly consistently, while four (4) mentioned it was moderately consistently. This shows that the conduct, qualities and aims of the new staff have deteriorated compared to the counterparts. This may be attributed to the learning curve mentioned above. The researcher gathered from the interview data that the ability to deliver quality solutions on time has been affected as new employees take time to be productive. It was highlighted that employees take “At least six (6) months of learning, before one becomes productive”. An interviewee lamented the loss of the TPS’ experienced engineers which has impacted negatively on the ability to maintain the TPS’ valued customers satisfied. It is believed that when an employee is starting work, due to the learning curve, they may not meet customer expectations, thereby impacting negatively on service delivery (Dwomoh & Korankye, 2012).

a. Issues Handover and Takeover

Issue handover and takeover is slightly and moderately handled as shown in table 4.6 below. An interviewee concurred that handover of projects was poor and this had ripple effects resulting in projects taking longer to be finalised and going live.

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<tr>
<td>Slightly well handled</td>
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<td>50</td>
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Table 4.6: Issues Handover and Takeover
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Valid Percent (%)</th>
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<td>Not at all done</td>
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</tr>
<tr>
<td>Total</td>
<td>10</td>
</tr>
</tbody>
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b. Evaluating Whether there was Improvement or Decline in Service Between 2009 and 2012

i. Pre-Sales

Pre-sales activity has largely moderately improved between 2009 and 2012, while two (2) noted it had neither deteriorated nor improved. This may imply that there has not been high sales employee turnover and this may also reflect the effect of the sales commission incentive scheme. During that same period, the majority of respondents believe that project implementation deteriorated, with six (6) pointing out that it had deteriorated slightly and one (1) moderately. A customer respondent believes it neither improved nor deteriorated, while one (1) mentioned it improved moderately. This is also reflective of the high turnover for technical staff, who are also project implementers and this shows that new staff have not been performing well.

ii. Access to TPS Technical Resources

Of those who responded to this question, eight (8) who are the majority; believe that access to TPS technical staff has overall deteriorated as shown in table 4.7.
Table 4.7: Access to TPS Technical Staff.

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<tr>
<td>Slightly deteriorated</td>
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<tr>
<td>Total</td>
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</tr>
</tbody>
</table>

iii. Turnaround Times

From the survey, the majority of respondents (7 out of 10) are dissatisfied with the TPS turnaround time for projects, while two (2) are moderately satisfied and one (1) is neither satisfied nor dissatisfied. This may point to allocation of inexperienced resources to projects, who take time to implement solutions due to the experience and learning curves. It may also imply that resources are being allocated to certain priority projects. The results are shown in table 4.8 below.

Table 4.8: Project Turnaround Times.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Valid Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately satisfied</td>
<td>2</td>
<td>20.0</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>1</td>
<td>10.0</td>
</tr>
<tr>
<td>Slightly dissatisfied</td>
<td>4</td>
<td>40.0</td>
</tr>
<tr>
<td>Moderately dissatisfied</td>
<td>3</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
</tr>
</tbody>
</table>

iv. Satisfaction with TPS Employees

From the survey, five (5) customers are neither satisfied nor dissatisfied with TPS' employees, while three (3) are slightly dissatisfied as shown in figure 4.4 below. This may be weighed down by the deteriorated project execution and low satisfaction
levels. This implies that the surveyed customers are sitting on the fence and this requires intervention as the employees are the face of the company. Another interviewee noted that the existing TPS’ electronic payments customers are now seriously contemplating moving to TPS’ competitors as the customers doubted TPS’ capability to support them. Another interviewee highlighted that customers complain about late delivery of projects and poor service delivery because of inexperienced staff. This poor service delivery may be explained by the Cornell’s School of Hotel Administration discovery that, identifying with the organisation and emotional commitment are related to the kind of services employees offer to customers (McPheat, 2013).

![Overall satisfaction with TPS employees](chart.png)

**Figure 4.4: Overall Satisfaction with TPS Employees**

An interviewee noted that the rate of employee turnover upsets customers as their expectations are not fulfilled because of low quality work and taking long to deliver, especially for international assignments. Another interviewee pointed out that, though TPS had been compelled to use some resources that are controlled at group level, TPS has been unable to fully hold them accountable for delivering solutions on
time and solutions have taken forever to be delivered. This implies that the group resources strategy may not be yielding its best results at the moment, as there is limited leverage of resources for competitive advantage.

In another interview, it was highlighted that some customers have summoned TPS and given ultimatums, including that it needed to shape-up or they would go to the competition. Another interviewee pointed that the threats from customers were real, as indeed they proceeded to get solutions from TPS' competition which TPS failed or struggled to deliver timeously. An example cited is integrated till solutions. An interviewee highlighted that TPS has lost some opportunities to competitors as it failed to deliver solutions required by customers. Another interviewee noted that the ability to predict future trends and invest in Research and Development has been compromised as management focuses on filling empty positions and maintaining customer service standards. Another interviewee mentioned that TPS has a number of projects in the pipeline and its ability to deliver may be compromised, as a result of the staff attrition.

4.6. CHAPTER SUMMARY

In this chapter, section 4.1 provides the response rates for the study, with demographic data of respondents and interviewees provided in section 4.2. Section 4.3 discusses the findings, starting with causes of employee turnover, while section 4.4 discusses the employee retention efforts assessment. Section 4.5 concludes the chapter, by discussing the impact of employee turnover on the TPS' competitiveness.
5.0. INTRODUCTION
This chapter discusses the conclusions and recommendations of this study based on each objective set out in chapter one (1) of this document.

5.1. CONCLUSIONS

5.1.1. Objective 1: To identify the causes of employee turnover at TPS from 2009 to 2012

The following conclusions are deduced based on this objective

i. TPS has been experiencing high rates of employee turnover especially among its technical resources who are responsible for implementing and supporting its payment solutions at customer sites;

ii. The major push factors causing employee turnover at TPS are largely work-environment related factors;

iii. The major pull factor is better offers elsewhere which are beyond the reach of the TPS’ current counter-offers;

iv. Turnover intentions are high among technical staff who are on demand elsewhere in the specialised electronic payments industry;

v. Skills utilisation is not a major issue resulting in employee turnover as TPS appears to be offering room for skills utilisation;

vi. The perception of the former TPS employees is that rewards for their efforts are not in sync and consistent with their efforts;

vii. The TPS work environment is stressful and there is work-social life imbalance;

viii. Job security has been negatively impacted by the TPS’ poor financial performance and retrenchments; and

ix. Restlessness created by the low job security levels and uncomfortable work climate are affecting the overall liking and perception of TPS employees.
5.1.2. Objective 2: Assessing the TPS Employee Retention Strategy

The following conclusions are deduced based on this objective

i. Employee retention has been a major challenge for TPS and this has been linked to the poor financial performance experienced during the period under study and absence of company-wide employee retention schemes;

ii. Retention measures have been sporadic and reactive in nature, thereby registering limited success;

iii. There are a number of employee retention measures in the pipeline, but the capability to implement and timeliness of implementation may be an issue;

iv. The removal of engineer allowances, competitive offers elsewhere, the inability to meet the demands of employees, coupled with absence of opportunity costs of quitting and barriers to quitting have made retaining technical employees a nightmare for TPS’ management;

v. The hope for a better future, buoyed by improved financial performance has in a way helped to retain some employees;

vi. There are efforts to try and identify high performers and poor performers and rewarding or developing them to increase their contribution to TPS’ competitiveness;

vii. The levels of employee engagement are low, with low levels of team work;

viii. Strategy institutionalisation has not been successful as the overall strategy has not been fully cascaded downwards and across the organisation; and

ix. The opportunities for growth are limited as TPS is a small organisation and until incumbents leave, there is no scope for growth upwards and one has to look for growth elsewhere.
5.1.3. Objective 3: Assessing the Impact of Employee Turnover on Competitive Advantage

The following conclusions are deduced based on this objective:

i. Overall TPS’ competitive capability has been negatively impacted upon by the loss of largely skilled technical resources;

ii. Service quality has been negatively affected by the deployment of inexperienced project resources to customer projects;

iii. The availability of fewer resources has resulted in shoddy service and customer issues taking longer to be resolved or closed affecting service level agreements. This has also been due to pressure to deliver on a number of projects or attend to support issues in a short space of time;

iv. Customer have an increased interest in employee stability at TPS for business continuity;

v. Some customers are actively considering alternatives due to non-delivery of solutions by TPS and also declining confidence in TPS’ ability to continue supporting their mission critical systems;

vi. Overall, the access to customers of the TPS technical resources has deteriorated; and

vii. Service turnaround time is a key determinant of competitive advantage in the electronic payments industry, in which TPS operates, where payment systems are mission critical and whose uptime and availability cannot be compromised.

5.1.4. Evaluation of the Research Proposition

The study sought to test the proposition that the causes of employee turnover at TPS are largely work-related factors as opposed to personal factors and the employee turnover has negatively impacted on TPS’ ability to compete for the period 2009 to
December 2012. In light of the findings and conclusions of this study, the proposition is largely acceptable.

5.2. RECOMMENDATIONS

In view of the study findings the following are the recommendations to the TPS’ management.

5.2.1. Measures to Deal with Employee Turnover and Turnover Intentions

i. Offering a myriad of competitive and attractive packages that recognise and reward out of the norm for value addition and acting as barriers to employee turnover. The measures need to be fair, clear and consistent for them to be effective. This is because best employees are always seeking ways to enhance career advancement, both internally and externally and the organisations needs to be always on its feet crafting novel ways of retaining such talent. At the moment the opportunity costs of quitting are next to zero. There needs to be an established criterion for any staff recognition initiatives, otherwise it may end up derailing performance instead of enhancing performance; and

ii. There is need for a paradigm shift and taking of drastic measures to manage employee turnover for example walking the talk of people as the most important asset and not as expenses to be managed. This helps to create an atmosphere of interdependence, strengthening the social contract between the employee and the organisation and create competitive advantage.

iii. TPS also needs to expose its resources to seminars and conferences so that they keep abreast of developments in the electronic payments space. This helps to reduce the pressure on employees fearing that their skills may become stale or redundant.
5.2.2. Managing the stressful work environment

i. TPS’ management need to consider outsourcing and licensing off-the-shelf solutions as opposed to reinventing the wheel to lessen the pressure on existing resources and with cloud computing this is possible. This helps employees to balance the work life relationship and also to satisfy customer requirements early. Some of the TPS’ competitors are doing this already. There is also need for the creation of a work environment full of fun that people love to be in, since they spend most of their time at work. This may involve giving employees what the objectives are and allowing space to decide how best to achieve their work schedules and tolerating mistakes.

5.2.3. Employee engagement

i. There is need to work on engaging employees more than the current levels as it is a valuable and rare source of sustainable competitive advantage. There needs to be commitment at senior level for employee engagement for example creation of the title of the Human Asset Officer, actively involved in engaging employees, not just relying on group resources who have any arm’s length relationship with TPS’ employees and may not fully comprehend the issues at hand or the TPS’ business;

ii. Employee satisfaction surveys to help monitor the organisation climate and take action before a crisis, where reactive strategies will not make meaningful impact, let alone being more costly. Organisational climate surveys help to reveal reasons for dissatisfaction early so that the organisation can take appropriate measures for example it may reveal trends showing high dissatisfaction in a certain department for example and the organisation can take appropriate measures to deal with the problem, before it gets out of hand. Exit interviews may also provide primary data on why employees leave. However, soon after quitting the real reasons of quitting may not be disclosed as former employees usually do not want to portray a negative image of their
former employer and may not reveal the real reasons. Employee surveys also help TPS to craft tailored employee recognition schemes that show that the organisation values its employees.

iii. There is need for strategic decision making that cuts across functions diagonally for buy-in. It is also a way of involving employees in decision making and in the overall direction of the organisation.

iv. In a fast paced industry like the electronic payments, organisations thrive on continuous innovation. TPS needs to encourage such a culture by tolerating mistakes, through constructive feedback that encourage employees to continue taking risk for the betterment of TPS.

v. There is need for implementing a comprehensive performance management system that rewards performers, while offering room for growth through training at the same time and weeding out those that fail to adjust.

5.2.4. Employee Communication

i. There is need to improve on open and candid communication within the organisation. There is need for two-way communication where employees have input as opposed to imposing changes. Employee feedback should also be accommodated without fear of reprisals or victimisation. This is particularly important in retaining knowledge workers, as they need to be engaged on issues impacting their welfare.

5.2.5. Managing Employee Supervisor Relations

TPS needs to develop a management style that fosters inclusion and inspire employees to be loyal to the organisation through respectfully providing regular, honest and clear feedback and also listening to employees. Managers need to be
accountable for employee retention, but they also need to be trained for that. Management development is required for managers to enable them exhibit leadership skills as well as coaching their subordinates. The managers need to be motivated first for them to be able to effectively balance the demands of their subordinates and the organisation; otherwise they may end up sabotaging schemes tailored for their subordinates. This also allows line managers to craft employee retention schemes that enable the organisation to influence employee turnover continually. There is also need for managers to help subordinates see opportunities for growth through mentoring and coaching.

5.3. AREAS FOR FURTHER STUDY

Researchers need to research further on boundary conditions that specify the conditions under which employee turnover theories hold water, delineating employee sub-groups. Future researches also needed to explore the effects of holding company culture, if any on retention of key employee subgroups within a subsidiary organisation.

5.4. CHAPTER SUMMARY

In this Chapter, section 5.1, introduces the chapter, while section 5.2 provides conclusions for each objective derived from the research results. Section 5.3 provides recommendations based on each objective for TPS’ management, while section 5.4 provides areas for further study for other researchers.
5.5. APPENDICES

5.7.1 Appendix 1: Post-Exit Survey Questionnaire

Dear Sir/Madam

In partial fulfillment of the Master of Business Administration with the University of Zimbabwe’s Graduate School of Management, the Researcher is carrying out a research with the following topic:

**AN INVESTIGATION INTO EMPLOYEE TURNOVER AND ITS IMPACT ON COMPETITIVENESS: THE CASE OF TRANSACTION PAYMENT SOLUTIONS: (2009-2012)**

I am therefore kindly requesting your assistance in the form of completing the questionnaire attached. I sincerely hope your feedback will be highly invaluable to the researcher, TPS and the academic community.

All information you provide will be totally confidential and will not be used for any other purposes, other than those intended by this research.

For any clarifications regarding this study, please contact the researcher on the following telephone numbers: +263 772 222 485 or +263 4 732 951/2/4/5 during business hours. The receipt of your responses by no later than 01 January 2013 is much appreciated.

Yours faithfully

Munyaradzi Nhamo
Please fill in the responses by ticking the appropriate box which best provides the correct information on each question or filling in the blank spaces provided in some instances and email the completed responses to: zvinogoneka.zvinogoneka@gmail.com or munyaradzin@tpspay.com.

SECTION A: Demographic data

1. Please indicate your gender.

- Female
- Male

2. Please indicate your age range (years).

- 20-30
- 31-40
- 41-50
- More than 50

3. Please indicate your highest qualification

- High school
- Higher National Diploma
- University degree
- Postgraduate degree

Other
4. Please state the position that you occupied at TPS

<table>
<thead>
<tr>
<th>Engineer</th>
<th>Sales Representative</th>
<th>Administrative Assistant</th>
<th>Entry Level Manager</th>
<th>Middle Level Manager</th>
<th>Top Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Other

5. Please state the department that you were in

<table>
<thead>
<tr>
<th>Sales and Marketing</th>
<th>Point of Sale Systems</th>
<th>Postilion Systems</th>
<th>Finance and Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Other

6. Please indicate for how long you had been at TPS in years?

<table>
<thead>
<tr>
<th>Less than 1 year</th>
<th>1 -5 years</th>
<th>6-10 years</th>
<th>11 - 15 years</th>
<th>More than 15 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

SECTION B: Data Collection

1. What are your reasons for leaving TPS by ticking all applicable reasons?

<table>
<thead>
<tr>
<th>Reason</th>
<th>□</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered better remuneration elsewhere</td>
<td></td>
</tr>
<tr>
<td>Stressful work environment</td>
<td></td>
</tr>
<tr>
<td>No room for advancement</td>
<td></td>
</tr>
<tr>
<td>Seeking new challenges</td>
<td></td>
</tr>
</tbody>
</table>
Poor relationship with fellow employees
Poor relationship with managers
I felt I was not valued and recognised
I did not have control over my work
There was no job security
I was not satisfied with the job
I was not trained and supported well

Any other reason not listed above?

2. To what extent do you feel your skills were utilised at TPS?

<table>
<thead>
<tr>
<th>Extremely effectively</th>
<th>Very effectively</th>
<th>Moderately effectively</th>
<th>Slightly effectively</th>
<th>Not at all effectively</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

3. To what extent do you think you grew professionally at TPS?

<table>
<thead>
<tr>
<th>A great deal</th>
<th>A lot</th>
<th>Moderately</th>
<th>Little</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

4. How well were you paid for the work you did at this TPS?

<table>
<thead>
<tr>
<th>Extremely well</th>
<th>Very well</th>
<th>Moderately well</th>
<th>Slightly well</th>
<th>Not at all well</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. How were you treated by your manager?

<table>
<thead>
<tr>
<th>Extremely fairly</th>
<th>Very fairly</th>
<th>Moderately fairly</th>
<th>Slightly fairly</th>
<th>Not at all fairly</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Were you rewarded for good work?

<table>
<thead>
<tr>
<th>Extremely consistently</th>
<th>Very consistently</th>
<th>Moderately consistently</th>
<th>Slightly consistently</th>
<th>Not at all consistently</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

7. What are your perceptions of your manager’s decisions?

<table>
<thead>
<tr>
<th>Extremely reasonable</th>
<th>Very reasonable</th>
<th>Moderately reasonable</th>
<th>Slightly reasonable</th>
<th>Not at all reasonable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

8. How often were your views taken into account by your manager when making decisions?

<table>
<thead>
<tr>
<th>Extremely often</th>
<th>Very often</th>
<th>Moderately often</th>
<th>Slightly often</th>
<th>Not at all often</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

9. How well were your issues and problems handled by your manager?

<table>
<thead>
<tr>
<th>Extremely well</th>
<th>Very well</th>
<th>Moderately well</th>
<th>Slightly well</th>
<th>Not at all well</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

10. How well balanced were your work life and personal life for the tenure that you were at TPS?

<table>
<thead>
<tr>
<th>Extremely well balanced</th>
<th>Very well balanced</th>
<th>Moderately well balanced</th>
<th>Slightly well balanced</th>
<th>Not at all well balanced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

11. How secure was your job for the tenure you were at TPS?

<table>
<thead>
<tr>
<th>Extremely well secured</th>
<th>Very well secured</th>
<th>Moderately well secured</th>
<th>Slightly well secured</th>
<th>Not at all well secured</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
12. How comfortable were you with the TPS work environment?

13. What would you recommend to TPS to help it build a better work environment?

14. Overall rate the level of liking or disliking being employed at TPS

15. Given a choice, would you consider rejoining TPS?

16. Would you recommend TPS to other prospective employees?

End of Questionnaire

Thank You for Your Co-operation
5.7.2. Appendix 2: TPS Customers Questionnaire

Questionnaire No:  *For administrative use only*

1. **TPS products in use**

<table>
<thead>
<tr>
<th>POS</th>
<th>Postilion</th>
<th>Fiscal</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

Other

2. **Have you ever had changes to the TPS staff allocated your projects as a result that the other employee was no longer at TPS between 2009 and 2012?**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

3. **How often you are formally advised of the changes?**

<table>
<thead>
<tr>
<th>Consistently often</th>
<th>Very often</th>
<th>Moderately often</th>
<th>Slightly often</th>
<th>Not at all often</th>
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<tbody>
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</table>

4. **How professional is the new staff?**

<table>
<thead>
<tr>
<th>Extremely professional</th>
<th>Very professional</th>
<th>Moderately professional</th>
<th>Slightly professional</th>
<th>Not at all professional</th>
</tr>
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<tbody>
<tr>
<td></td>
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</table>

5. **How has the new staff been performing compared to their counterparts?**

<table>
<thead>
<tr>
<th>Extremely consistently</th>
<th>Very consistently</th>
<th>Moderately consistently</th>
<th>Slightly consistently</th>
<th>Not at all consistently</th>
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</table>

b. Please provide examples
6. How was the handover and takeover of issues handled?

<table>
<thead>
<tr>
<th>Extremely well handled</th>
<th>Very well handled</th>
<th>Moderately well handled</th>
<th>Slightly well handled</th>
<th>Not at all done</th>
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</table>

b. Any suggestions for improvement?

7. Compared to our competitors and other service provider, how would you compare the rate of staff changes at TPS between 2009 and 2012?

<table>
<thead>
<tr>
<th>Extremely high</th>
<th>Very high</th>
<th>Moderately higher</th>
<th>Slightly higher</th>
<th>About the same</th>
<th>Much better</th>
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</table>

8. How has the TPS pre-sales support improved from 2009 to 2012?

<table>
<thead>
<tr>
<th>Extremely improved</th>
<th>Very much improved</th>
<th>Moderately improved</th>
<th>Neither improved nor deteriorated</th>
<th>Slightly deteriorated</th>
<th>Moderately deteriorated</th>
<th>Extremely deteriorated</th>
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9. How has the TPS project implementation improved from 2009 to 2012?

<table>
<thead>
<tr>
<th>Extremely improved</th>
<th>Very much improved</th>
<th>Moderately improved</th>
<th>Neither improved nor deteriorated</th>
<th>Slightly deteriorated</th>
<th>Moderately deteriorated</th>
<th>Extremely deteriorated</th>
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</table>
10. How has the access to TPS’ technical staff improved from 2009 to 2012?

<table>
<thead>
<tr>
<th>Extremely improved</th>
<th>Very much improved</th>
<th>Moderately improved</th>
<th>Neither improved nor deteriorated</th>
<th>Slightly deteriorated</th>
<th>Moderately deteriorated</th>
<th>Extremely deteriorated</th>
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</table>

11. How has the access to TPS managerial staff improved from 2009 to 2012?

<table>
<thead>
<tr>
<th>Extremely improved</th>
<th>Very much improved</th>
<th>Moderately improved</th>
<th>Neither improved nor deteriorated</th>
<th>Slightly deteriorated</th>
<th>Moderately deteriorated</th>
<th>Extremely deteriorated</th>
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</table>

12. Overall what is your level of satisfaction with the TPS employees?

<table>
<thead>
<tr>
<th>Extremely satisfied</th>
<th>Very much satisfied</th>
<th>Moderately satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Slightly dissatisfied</th>
<th>Moderately dissatisfied</th>
<th>Extremely dissatisfied</th>
</tr>
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13. Overall what is your level of satisfaction with the TPS’ turnaround time on delivering products and services to you?

<table>
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<th>Extremely satisfied</th>
<th>Very satisfied</th>
<th>Moderately satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Slightly dissatisfied</th>
<th>Moderately dissatisfied</th>
<th>Extremely dissatisfied</th>
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End of Questionnaire

Thank you for your cooperation
5.7.3 Appendix 3: Interview Guide

a. **Demographic and Administrative Information**

Company: ___________________  Venue: ___________________

Date: ___________________  Time: ___________________

Interviewee title: ___________________

Duration of interview: ___________________

Comments: ___________________

b. **Interview Questions**

**Identifying the causes of employee turnover at TPS from 2009 to 2012**

1. Have you been experiencing employee turnover since 2009?
2. What do you believe are the causes of employee turnover at TPS – both push and pull factors?
3. What has been some of the outcomes of employee turnover?
4. What are the employee turnover intentions like at TPS?
5. Do you conduct employee satisfaction surveys?

**Assessing the TPS employee retention strategy**

a. **Retention mechanisms**

1. Do you believe it is important to retain your employees?
2. To what extent are you attracting and retaining your employees for strategy execution?
3. What is persuading employees to stay with you?
4. What are some of the measures you have in place for retaining key skills?
5. How successful are the measures?
6. What are some of the measures that are in the pipeline for retaining employees?
7. Do you identify performers and non-performers?
8. How is it done?
9. How are performers and non-performers treated?
10. What challenges do you face in retaining employees?

c. Level of Engagement

1. How are you ensuring employee trust and confidence in leadership?
2. To what extent do you think employees understand your organisation strategy and the connection to their duties and responsibilities?
3. How well defined are employee career paths?
4. How flexible are employee work schedules?
5. To what extent is this being exercised by employees?
6. What communication mechanisms do you use to communicate with employees?
7. How does the organisation recognise and retain high performers?
8. Are you accountable for the creation of employee development?

Assessing the impact of employee turnover on competitive advantage

1. How are human resources explaining the differences between your performance and that of competition?
2. What is the impact of employee turnover on TPS’ competitive advantage?
3. What are the average turnover ratios in your industry?
4. Who are your competitors?
5. How has employee turnover affected your competitive capability?

End of interview questions