THE RETENTION FACTORS OF CALL CENTRE AGENTS AT A FINANCIAL INSTITUTION IN THE WESTERN CAPE

by

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DECLARATION

I hereby declare that “The retention factors of call centre agents at a financial institution in the Western Cape” is my own work, that it has not been submitted for any degree or examination at any other institution of higher learning, and that all references have, to the best of my knowledge, been correctly reported. It is being submitted for the degree of Magister Administrationis at the University of the Western Cape.

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Date: 15 May 2013

Signed: ……………………

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ABSTRACT

Past employment relationships based on mutual commitment between employer and employee are no longer the norm in the workplace. Instead of a predictable linear rise up an organisation's hierarchy, careers are now characterised by a 'protean' model of movement between many organisations during the course of individuals' working lives (Coetzee & Gunz, 2012; Schreuder & Theron, 2001). This phenomenon adds to the historical concern of staff retention as it is identified as a factor that directly jeopardizes organisational objectives (Campion, 1991). While this is a concern in many industries (du Plooy & Roodt, 2013), Lee (2008) claims that staff turnover has been even more of a dilemma within the call centre environment.

A worldwide study conducted by Lee (2008) indicated that on average, call centres lose up to 61% of their agents annually. The situation seems to be no different for South African call centres. Kgomo and Swarts (2010) found unacceptably high levels of staff turnover in the South African industry.

De Vos and Meganck (2009) argue that the traditional response of organisations in relation to staff retention is reactive in nature, since they try to decrease the desire of staff to leave (de Vos & Meganck, 2009; Williams, 2008). This approach, however, is seldom successful – once people have expressed the desire to leave, efforts to retain them may already be too late (Milner, Russell & Simers, 2010; Mosley & Hurley, 1999).

Simultaneously, organisations need to recognise that the workforce for the first time contains four generations, all with their unique generational characteristics, values, attitudes, ways of operating and skills (Tulgan, 2004). Literature agrees that this confluence of generations holds immediate strategic implications for management in the workplace (Twenge, Campbell, Hoffman & Lance, 2010). The changing competitive landscape, together with the changing and diverse workforce necessitates a different approach to staff retention if organisations want to succeed and prosper in the long term and that a one-size-fits-all approach is not a viable option.

The aim of the study was to identify the retention variables highlighted as most important by call centre agents at a financial institution in the Western Cape. In addition, to assess which of the independent variables they place more importance on; and to determine whether differences exist between the retention variables highlighted as most important by the respective age and gender groups.

The population group used in this study includes call centre agents at a financial institution in the Western Cape. The total population size is estimated at approximately N=66, from which a sample of n=43 was drawn. The formal company protocol was followed to enter the organisation, while a non – probability sampling technique was identified as an appropriate sampling procedure, by means of a convenience sampling method. The accessibility and availability of the respondents, as well as the fact that the technique is more economical in terms of cost and time constraints, contributes to the motivation for selecting this sampling technique. A self-administered questionnaire developed by Birt, Wallis and Winternitz (2004) was used as the measurement instrument.

The Statistical Package for Social Sciences (SPSS) version 21 was used to analyse the research data, including both descriptive and inferential statistics. The descriptive statistics appropriate in this research include percentages and the measurement of means and standard deviations. The inferential statistics that were utilised to test the research hypotheses included the Mann-Whitney test and Chi-squared.

While the limitations of the study have been identified, the findings suggest that the call centre agents of the financial institution regard all four core retention factors, that is, work-life balance, work development environment, company environment and compensation and benefits as critical factors contributing to the decision to remain with the organisation. In addition, the results suggest that there are statistically significant differences in the dimensions of retention based on the gender of the respondents, while there are statistically significant differences based on respondents' age with regard to certain variables.

KEYWORDS

Call Centres

Call Centre Agents

Generational Diversity

Retention

Retention Variables

Job Satisfaction

Motivation

Organisational Commitment

Employee Engagement

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CHAPTER 1

INTRODUCTION AND AIM OF STUDY

1.1 INTRODUCTION

The business environment is characterised by instability, continuous change and renewal (Kegley & Blanton, 2012). Past employment relationships based on mutual commitment between employer and employee are no longer the norm (Cappelli, 1999) and employees are now expecting more from their employers (Burke & Cooper, 2009). Instead of a predictable linear rise up an organisation's hierarchy, careers are now characterised by a 'protean' model of movement between many organisations during the course of individuals' working lives (Coetzee & Gunz, 2012; Schreuder & Theron, 2001). This phenomenon adds to the historical concern of staff retention as it is identified as a factor that directly jeopardizes organisational objectives (Campion, 1991). It disrupts production schedules and is costly, as new workers with appropriate skill sets need to be recruited, trained and brought up to speed (Kgomo & Swarts, 2010). While this is a concern in many industries (du Plooy & Roodt, 2013), Lee (2008) claims that staff turnover has been even more of a dilemma within the call centre environment.

The call centre environment has experienced substantial growth due to the increasing demand for client-centred services in highly competitive business environments world-wide (Deery & Kinnie, 2004b; Nel & De Villiers, 2004). The call centre industry in South Africa has also grown tremendously, experiencing growth rates of up to thirty-five percent (35%) since 1996. While call centres operate across many different industries, the telecommunications, insurance, banking and financial services industries have been identified as being the most prominent (Benner, Lewis & Omar, 2007). According to Tlabela, Roodt, Paterson and Weir-Smith (2008), experts estimated the industry had the ability to create another 50 000 to 100 000 jobs in the next few years. However, nowhere has the growth in the importance of call centres been more apparent than in the financial services industry (Evenson, Harker & Frei, 1998). This confirms the strategic role of call centres and that they now form an integral part of many organisations' business models.

At the same time, a worldwide study conducted by Lee (2008) indicates that on average, call centres lose up to 61% of their call centre agents annually. In comparison to the average turnover (< 49%) in call centres in the UK (Harry & Coetzee, 2011), call centre turnover rates appear to be above average (> 50%) in South Africa (Visser & Rothmann, 2012). In accordance with this, Kgomo and Swarts (2010) found unacceptably high turnover levels in the South African industry, lending credence to the view that the phenomenon needs to be thoroughly investigated and that businesses need to take proactive measures. De Vos and Meganck (2009) argue that the response of traditional employers to staff retention is reactive in nature, since they try to decrease the desire of staff to leave (de Vos & Meganck, 2009; Williams, 2008). This approach, however, is seldom successful – once people have expressed the desire to leave, efforts to retain them may already be too late (Milner, Russell & Simers, 2010; Mosley & Hurley, 1999). Shifting trends in the contemporary world of work have also led to a renewed interest in the psychological factors that influence individuals' commitment to an organisation (Coetzee & Gunz, 2012). Moreover, the changing competitive landscape necessitates a different approach to staff retention if the organisation wants to succeed and prosper in the long term (Pfau & Kay, 2002).

This changing competitive landscape is also characterised by a generationally diverse workforce (Elkins, McRitchie & Scoones, 2002). The workforce for the first time contains four generations, all with their unique generational characteristics, values, attitudes toward work and authority, ways of operating, degrees of socialisation and skills (Tulgan, 2004). They include the Traditionalists, born before 1945; the huge post-war Baby Boomers, born 1945-64; the small Generation X group, born 1965-80, and now Generation Y, born after 1980. Literature agrees that this confluence of generations holds immediate strategic implications and challenges for management in the workplace, adding to the need for a proactive approach to staff retention and that a one-size-fits-all approach is not a viable option (Twenge, Campbell, Hoffman & Lance, 2010).

A typical proactive approach includes the recent work of Mendes and Stander (2011), which claims that the organisation should create a healthy, positive environment where the ability of the leader to empower the employees will have an impact on the organisation's retention of its employees.

In addition, Grobler, Bothma, Brewster, Carey, Holland and Wärnich (2011) highlight the need for more creative and flexible practices for the attraction and retention of employees, and moreover the need for policies to attract and retain a multi-generational workforce. Grobler *et al*. (2011) further identify a key theoretical perspective that provides a framework for the strategic approach to invest in the retention and development of human resources. In turn, this framework provides key areas for organisations to act upon to ensure a return on investment and a competitive advantage. One area is to craft a winning employee value proposition (EVP). An EVP is everything an employee experiences within an organisation, including intrinsic and extrinsic satisfaction, values, ethics, and culture. It is also how well the organisation fulfils the employee's needs, expectations and aspirations.

Such an EVP can be validated by previous research which found a mixture of intrinsic and extrinsic factors to be key variables important for the retention of employees, with studies placing differential importance on these (Birt, Wallis & Winternitz, 2004). Birt *et al*. (2004) identify four broad independent variables as possible contributors to employee retention, namely:

- Compensation and Benefits
- Work and Development Environment
- Company Environment
- Work-Life Balance

For the purpose of this study, the above variables will be explored to ascertain the reasons for call centre agents leaving an organisation.

1.2 MOTIVATION FOR THE STUDY

The aim of the study is:

- To identify the variables that affect the retention of call centre agents within a financial institution.
- To provide insight into the level of importance the call centre agents place on the identified variables and whether they perceive them to be in place.
- To establish whether there is a difference in retention variables amongst employees in a call centre based on their age (generation) and gender.
- To fill a gap, as there has been little research on retention factors in general (Kontoghiorghes & Frangou, 2009) and in the South African context of call centre agents in particular (Banks & Roodt, 2011; Kerr-Phillips & Thomas, 2009).

1.3 RESEARCH QUESTIONS

- What are the retention variables highlighted as most important by call centre agents in a specific financial institution?
- Which of the four (4) independent variables do call centre agents place more importance on?

- Is there a difference in the retention variables highlighted as most important by employees of different age groups?
- Is there a difference in the retention variables highlighted as most important by the different gender groups?

1.4 RESEARCH OBJECTIVES

With the preceding questions in mind, the objectives of this study are thus to:

- Identify the retention variables highlighted as most important by call centre agents in a specific financial institution.
- Assess which of the four (4) independent variables they place more importance on.
- Determine whether a difference exists in the retention variables highlighted as most important by the different age groups.
- Determine whether a difference in the retention variables highlighted as most important by the different gender groups?

1.5 RESEARCH HYPOTHESES

According to Babbie and Mouton (2002), a research hypothesis is defined as a statement that postulates that a certain relationship (correlation or causality) exists between two or more variables. Based on the preceding research objectives, the following research hypotheses have been formulated:

Hypothesis 1

There will be a significant difference in the retention variables amongst employees based on their gender.

Hypothesis 2

There will be a significant difference in the retention variables amongst employees based on their age.

1.6 LIMITATIONS OF THE STUDY

The concerns anticipated with the study included:

- The possibility that participants may not be truthful in answering the questions for fear of being exposed within the working environment. This concern was addressed by an anonymity and confidentiality clause that was included at the start of the questionnaire assuring participants that their identities would not be revealed.

- The fact that the study focused on employees within a particular geographical location within one financial institution and for this reason the research findings cannot be inferred to other populations and subsequently limits the generalisability and external validity.

- A further concern that was anticipated was that participants would perceive this as a meaningless exercise which in turn could hinder the participants' willingness to complete the questionnaire or the standard of completeness. This concern was addressed by confirming the purpose of the study, while identifying the benefits to the participants. Contact details of the researcher were also made available on the questionnaire, in the event that participants had questions regarding the research or content of the questionnaire.

1.7 DEFINITION OF TERMS

1.7.1 Call Centres

The term "call centre" refers to the environment within an organisation where the call centre agent, through the medium of the telephone, provides client support and/or a sales channel through which new business is generated and present business is retained (Boyte, 2009; Taylor, 2012).

1.7.2 Call Centre Agents

Call centre agents are appointed in a call centre environment and their basic task is to communicate with customers via integrated telephone and computer solutions (Boyte, 2009; Taylor, 2012).

1.7.3 Generational diversity

A generation can be described as a biological rhythm, better known as birth and death (Mannheim, 1952). Sociologists agree that generations are predominantly influenced by social and cultural change, which allows specific categorisation of the different generations (Bourdieu, 1993). Schullery (2013) claims that despite some variations in the way the literature names these generations and classifies start and end dates, there is general descriptive consensus regarding the characteristics of it. In addition, the workforce for the first time contains four generations and consequently creates generational diversity.

1.7.4 Retention

Cascio (2003) describes retention as the strategy and initiatives taken by management to keep employees from leaving the organisation. Frank, Finnegan and Taylor (2004) refer to retaining talent as employers' efforts to create an environment that engages employees for the long term and ensures that they keep employees with the desired skill in order to meet business objectives. However, if employees are not satisfied with these efforts they tend to leave. Therefore, retention results from mutual satisfaction between employees and employers and occurs voluntarily (Kontoghiorghes & Frangrou, 2009).

1.7.5 Retention variables

Retention variables are key factors that contribute to the retention strategy and initiatives of an organisation (Döckel, 2003). Kgomo and Swarts (2010) identify compensation (base salary); job characteristics (skills variety and job autonomy); training and development opportunities; supervisor support; career opportunities and work/life policies as the general variables that influence such initiatives to retain employees.

1.7.6 Job satisfaction

Robbins & Judge (2010) define job satisfaction as the extent to which a person derives pleasure from a job, or as Friday and Friday (2003) refer to it as a pleasurable or positive emotional state resulting from the appraisal of one's job.

1.7.7 Motivation

Robbins and Judge (2010) define motivation as the intensity, direction and persistence of an individual to achieve a goal or sustain behaviour. In addition, they explain that motivational theories provide a theoretical framework for job satisfaction.

1.7.8 Organisational commitment

Joäo and Coetzee (2011) summarise the concept as a bond or connection to the organisation, while a particular focus has the potential to fulfil salient needs.

1.7.9 Employee engagement

According to Lockwood (2007), the term can be defined as a positive, fulfilling, work-related state of mind characterised by vigour, dedication and absorption.

1.8 SUMMARY OF CHAPTERS

Chapter 1 introduces the focus of the research project with reference to the motivation for the study, research objectives, research questions and hypotheses. In addition, limitations have been highlighted and applicable interventions identified to minimize such limitations. Lastly, key terms used in the study are defined in an attempt to ensure common understanding when discussed in the research study.

Chapter 2 presents a literature review on the topic, along with an array of the related variables which provide the theoretical basis of the study.

Chapter 3 provides an overview of the research methodology which was employed during the study to address the research questions. More particularly, the research design is discussed in terms of the population of the study, sample group, sampling technique, data collection methods and procedures.

Chapter 4 provides an overview of the results derived from the empirical analysis of the data acquired. The statistical programme used for the analysis and presentation of such data is the Statistical Package for the Social Sciences (SPSS) version 21.

Chapter 5 concludes the research study by discussing the salient results obtained in the study in relation to other relevant research in support of the current study. Conclusions are drawn based on the results obtained. Furthermore, this chapter outlines recommendations that may be useful for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The following literature review endeavours to provide a theoretical body of knowledge that is relevant to understanding the retention factors of call centre agents in a financial institution. The call centre industry will be explored, while views concerning retention as a multi-faceted construct affected by a number of drivers will be reviewed, and selected motivational theories discussed.

2.2 CALL CENTRES

The call centre industry forms a significant part of the global economy. According to Deery and Kinnie (2004a), it has become a very popular method of service delivery, mostly because of financial benefits (cost savings implications) to the organisations that make use of them. In addition, call centres eliminate the need for extensive and expensive branch networks with face-to-face service interaction, which also explains why increasing numbers of people are employed in these centres.

In South Africa specifically, there has also been an increased interest in the call centre industry as a way of creating jobs and foreign investment. Although this has given the industry a high level of visibility, call centres have been labelled as “satanic mills” and “mines of the 21^{st} century” (Harry & Coetzee, 2011). Trade and Industry Minister, Rob Davies, stated, at the 2009 launch of the Department of Trade and Industry’s call centre investment in Soweto, that ‘the call centre is an apex government priority in terms of the Cabinet Plan of Action of 2007’ (Department of Trade and Industry, 2009). Nimrod Zalk, deputy director-general of the Industrial Development Division, supported this. At the Business Process Outsourcing Week, held in November 2009, Zalk suggested that the government has prioritised and committed itself to the off-shoring industry (Department of Trade and Industry, 2009).

While call centres seem to be the major point of contact for serving customers and generating new revenue in a variety of industries, the telecommunications, airline and retail industries have been the predominant ones in the past (Benner, Lewis & Omar, 2007). However, according to Evenson, Harker and Frei (1998), nowhere is this growth of call centres more apparent than in the financial services industry. They further state that there are several reasons for firms in the financial services industry to invest in call centres. Like all the others, lower operating costs seem to be the most important reason, as the consolidation of operations and information technology typically decreases labour costs. Another reason for the financial industry to invest in call centres is to improve customer service and access, while increasing the ability of the organisation to reach customers outside its traditional geographical market areas. Finally, a call centre allows the organisation to package its services and products and then target its customers with these packages.

2.2.1 Definitions of Call Centres

Literature provides a number of definitions of call centres, including but not limited to the following:

According to Holman, Wall, Clegg, Sparrow and Howard (2002), a call centre is a work environment in which the main business is mediated by computer and telephone-based technologies that enable the efficient distribution of incoming calls (or allocation of outgoing calls) to available staff, and permit customer-employee interaction simultaneously with the use of display screen equipment and the instant access to, and inputting of, information.

Marr and Neely (2004) describe it as a physical or virtual operation, in which a managed group of people do business by telephone in a computer–automated environment. Boyte (2009) defines a call centre as an operation, consisting of as little as three people, which conducts business telephonically. Taylor (2012) refers to a call centres as a physical location where calls are placed or received, in high volume, for the purpose of sales, marketing, customer service, telemarketing, technical support or other specialised business activity.

Dean (2002) defines call centres in terms of three components. The first component includes the suggestion that the call centre is a dedicated operation where the central focus of call centre representatives is on customer service. The second component refers to the representatives who simultaneously make use of telephones and computers. Lastly, the third component refers to the calls that are processed and controlled by an automatic distribution system.

2.2.2 Environmental characteristics of call centres

The multiple definitions of call centres as found in literature clearly indicate that call centres include the integration of information and computer technologies to optimize service delivery to customers. Taylor and Bain (1999) called this integration, the 'Taylorisation of white-collar work' which is characterized by an increase in managers' power, highly fragmented tasks and extensive controlling and monitoring of employees, relying heavily on technology to increase production. Neely, Bourne and Kennerly (2003) argue that call centre objectives are too conflictual in nature. Managers have to decide on practices that will meet the organisations' expectations of rationalized operations whilst ensuring employee wellbeing and customer satisfaction.

Harry and Coetzee (2011) believe that call centres are highly measured environments which aim to ensure that effectiveness and above all efficiency are maintained. Developments in the computer and telephone-based technologies have allowed call centre managers to track the number of calls from their desk within a given time and the speed with which they are answered, the duration of the call and the number of abandoned calls together with the time that the call centre agent spend on the phone. In addition to these measures, calls are also recorded. This enables managers to listen to conversations in order to assess the call centre agents' tone of voice, enthusiasm and friendliness. Taylor and Bain (1999) argue that the work of call centre agents is closely monitored and controlled by technology, which contributes to routine and monotony and with little opportunity for personal discretion. In addition, call centre agents are also poorly paid.

Batt and Moynihan (2009) argue that call centres tend to adopt the classic mass production model associated with assembly lines. The functions are highly specialized, skill requirements are minimal and discretion appears in favour of repetitive tasks.

2.2.3 Burnout in call centres

Various studies conducted on the call centre work environment indicate that there are many variables linked to the environment of call centres which have an impact on burnout conditions (Cordes & Dougherty, 1993; Harry & Coetzee, 2011). These variables include high levels of workload and pressure from management to maximize client throughput, the repetitive nature of the work, lack of task variety, lack of training to deal with job requirements, emotional demands of labour, the perception that customers are difficult to satisfy, perceived lack of job promotion, role conflict, role ambiguity and a lack of job control.

Burnout can be seen as a chronic affective response syndrome, a type of stress that develops in response to stressful working conditions (Cordes & Dougherty, 1993; Visser & Rothmann, 2012). They state that burnout does not develop overnight and that it is a more gradual process. When people experience burnout they usually experience a gradual sense of loss that develops over an extended period of time. When burnout develops, an engaged, positive and energetic relationship with the individual's work progressively turns into disengagement, a loss of energy, limited commitment and a sense of ineffectiveness, which over time becomes real in the form of reduced accomplishment (Maslach & Leiter, 1997).

According to Maslach and Leiter (1997), the most widely accepted definition of the condition, describes burnout as three separate but interrelated constructs, namely emotional exhaustion, depersonalization and reduced personal accomplishment. Emotional exhaustion, they argue, is the thought process characterised by emotional depletion and is also the first response to develop. The second component of burnout is depersonalisation and that can be seen as a coping response that will protect the employee from further emotional depletion. When service employees use depersonalisation as a form of coping in response to high levels of emotional exhaustion then they tend to be less responsive to and involved with the needs of the customer; a scenario the call centres cannot tolerate because of the large workload (Harry & Coetzee, 2011; Maslach & Leiter, 1997). The final phase of burnout is related to reduced personal accomplishment where employees compare their current levels of competence with their previous levels of accomplishments. This self-evaluation is a reflection of reality and they see their true level of operation and efficiency is not at the same level as previously because there is a lack of achievement. Lower productivity will follow (Cordes & Dougherty, 1993; Harry & Coetzee, 2011).

Deery and Kinnie (2004b) further argue that call centres are not seen as particularly pleasant workplaces. There are many factors that could lead to burnout in call centres such as work overload, monitoring and surveillance of employees, competing management goals, lack of upward career movement, lack of skill variety and emotional labour. Work overload in a call centre involves high levels of client contact, not being able to take a break between calls, receiving calls on a continuous basis, perceived high target levels and pressure to wrap-up time. Boyte (2009) maintains that excessive long-term monitoring can have a negative effect on employees. Electronic performance monitoring is highly associated with stress which causes employees to become more depressed and develop higher levels of anxiety, which may in turn cause them to devote more of their cognitive resources to dealing with the anxiety. Competing management goals is a role conflict endemic to call centres and that could be seen as a source of stress by call centre employees (Deery & Kinnie, 2004b). This conflict finds its expression in dual goal demands when management on the one hand focuses on and espouses quality service and high levels of customer satisfaction, whilst on the other hand demanding high levels customer processing and throughput. There exists a perception in call centres that the focus is more on throughput than on customer service. This creates internal conflict for employees who see these dual goals and demands as incompatible and incongruent.

According to Cordes and Dougherty (1993), a lack of upward career movement is a predictor of emotional exhaustion. When people experience greater upward career movement relative to their peers it may serve as a form of feedback indicating that they are making a positive contribution to the organisation in the form of valued accomplishments. Promotions are also associated with reduced client contact, which removes the employee from the necessary conditions for the development of emotional exhaustion by reducing the frequency and intensity of client interaction. Call centres are mostly designed to be cost effective substitutes for face to face branch networks. Deery and Kinnie (2004a) state that call centres are designed to have a flat organisational structure to achieve cost effectiveness which leads to the perception of limited career and developmental opportunities. In addition, Deery and Kinnie (2004a) strongly believe that call centres are perceived to be low status "dead-end" jobs. The view they held is not conducive to attract the new Generation Y employees.

Emotional labour is also an important role-player in the development of burnout. A high level of social interaction causes emotional labour. Service employees engaged in emotional labour deal directly with the customers of their organisations and are in frequent face-to-face or voice-to-voice contact with them. Emotional labour can thus be defined as the expression of appropriate emotions as defined by the organisation during interaction with customers. Employees are expected to express socially desired emotions, to appear happy and eager to serve the customer, to display positive emotions and to suppress negative emotions. Emotional dissonance is also a component of emotional labour. Emotional dissonance develops when employees display positive emotions but feel quite differently within themselves and it makes them feel inauthentic. Call centre employees are more prone to burnout as they mostly perform emotional labour and occupy boundary-spanning roles in representing the organisation to the customer (Singh, 2000; Visser & Rothmann, 2012).

2.3 RETENTION

According to Kgomo and Swarts (2010), retaining employees is critical for success in today's business environment. In addition, research conducted by Ernst and Young indicates that attracting and retaining employees are two of the eight most important issues investors take into account when judging the value of a company (Michlitsch, 2000).

Frank, Finnegan and Taylor (2004) refer to retaining employees as employers' efforts to create an environment that engages employees for the long term and ensures that they keep desirable workers in order to meet business objectives. However, if employees are not satisfied with these efforts they tend to leave. Therefore, retention results from mutual satisfaction between employees and employers and occurs voluntarily (Kontoghiorghes & Frangrou, 2009).

Retaining employees is important because staff members that leave organisations incur direct and indirect costs for the organisation. The direct costs of recruiting new employees include the costs of recruitment agencies, interviewing and assessing prospective candidates and finding replacements whilst the recruitment process is underway. In addition, direct costs include training and development costs, as well as the cost of severance packages or dismissal if the organisation employed the wrong candidates in the first place. Organisations can calculate direct costs easily as it can be linked to specific activities (Hillmer, Hillmer & McRoberts, 2004).

Indirect costs pertain to knowledge, especially tacit knowledge, which employees take with them when they leave. Losing tacit knowledge is detrimental to achieving a long-term competitive advantage, organisational objectives and high performance standards. Such costs cannot be easily calculated by organisations. The indirect costs may far exceed the direct costs of staff turnover (Masibigiri & Nienaber, 2011).

Literature indicates that employers' traditional response to employee retention is reactive in nature, since they try to decrease the desire of staff to leave (de Vos & Meganck, 2009; Williams, 2008). However, this approach is seldom successful as efforts to retain employees may be too late once they have expressed their desire to leave (Mosley & Hurley, 1999). In addition, the changing competitive landscape necessitates a different approach to staff retention if the organisation wants to succeed and prosper in the long term (Coetzee & Gunz, 2012; Jacobs & Roodt, 2011; Pfau & Kay, 2002).

2.4 JOB SATISFACTION

According to Worrrell (2004), job satisfaction is probably one of the most extensively researched variables and consequently literature provides a vast range of definitions. In addition, Worrell (2004) states that Robert Hoppock is perhaps the most widely cited, although others have emerged with definitions reflecting more current theoretical underpinnings of job satisfaction. Some of the versions use the terms job attitudes, work satisfaction and job morale interchangeably, which may explain the lack of a standardised job satisfaction definition.

2.4.1 Defining job satisfaction

Worrell (2004) goes further and summarises the evolution of the definition, by confirming that Hoppock offered one of the earliest definitions in 1935 of job satisfaction when he described the construct as being any number of psychological, physiological and environmental circumstances which leads a person to express satisfaction with their job. Hoppock's definition was followed by Smith, Kendall and Hulin in 1969, who defined job satisfaction as the feeling an individual has about his or her job. Worrell (2004) concludes that in 1976, Locke suggested that job satisfaction was a positive or pleasurable reaction resulting from the appraisal of one's job, job achievement, or job experiences. Vroom (1982) defined job satisfaction as workers' emotional orientation toward their current job roles. Similarly, Schultz (1982) stated that job satisfaction is essentially the psychological disposition of people towards their work. Siegal and Lane (1987) stated simply that job satisfaction is an emotional response defining the degree to which people like their job. Finally, Lofquist and Davis (1991) defined job satisfaction as an individual's positive affective reaction to the target environment.

The definition of job satisfaction has visibly evolved through the decades, but most versions share the belief that job satisfaction is a work-related positive affective reaction. (du Plooy & Roodt, 2013).

2.4.2 Theories of Job Satisfaction

There seems to be less consistency when talking about the causes of job satisfaction. According to Wexley and Yukl (1984), job satisfaction is influenced by many factors, including personal traits and characteristics of the job. To better understand these employee and job characteristics and their relationship to job satisfaction, various theories have emerged and provided the vital framework for future job satisfaction studies. Early traditional theories suggested that a single bipolar continuum, with satisfaction on one end and dissatisfaction on the other, could be used to conceptualize job satisfaction. Later revisions of the theory included a two-continuum model that placed job satisfaction on the first scale and job dissatisfaction on the second (Brown, Hohenshil & Brown, 1998).

These later theories focused more on the presence or absence of certain intrinsic and extrinsic job factors which could determine one's satisfaction level. Intrinsic factors are based on personal perceptions and internal feelings, and include factors such as recognition, advancement and responsibility. These factors have been strongly linked to job satisfaction, according to O'Driscoll and Randall (1999). Extrinsic factors are external job related variables that would include salary, supervision, and working conditions. These extrinsic factors have also been found to have a significant influence on job satisfaction levels, according to Martin and Schinke (1998).

There are numerous theories attempting to explain job satisfaction, but three conceptual frameworks of motivational theories seem to be more prominent in literature. The first framework is content theory, which suggests that job satisfaction occurs when one's need for growth and self-actualization are met by the individual's job. The second conceptual framework is often referred to as process theory, which attempts to explain job satisfaction by looking at how well the job meets one's expectations and values. The third conceptual group includes situational theories, which proposes that job satisfaction is a product of how well an individual's personal characteristics interact or integrate with the organisational characteristics. Each of the three theoretical frameworks have been explored and reviewed by countless scholars and researchers (du Plooy & Roodt, 2013). A detailed description will now follow of the main theories and theorists from each framework, to provide clarity, relevance and direction to the topic of job satisfaction.

2.4.2.1 Content Theories

A prominent theorist associated with this framework is Abraham Maslow, who is known for his traditionalist view of job satisfaction. Maslow's "hierarchy of human needs" model summarised human needs into five basic (Robbins & Judge, 2010).

Figure 2.1: Maslow's hierarchy of human needs model

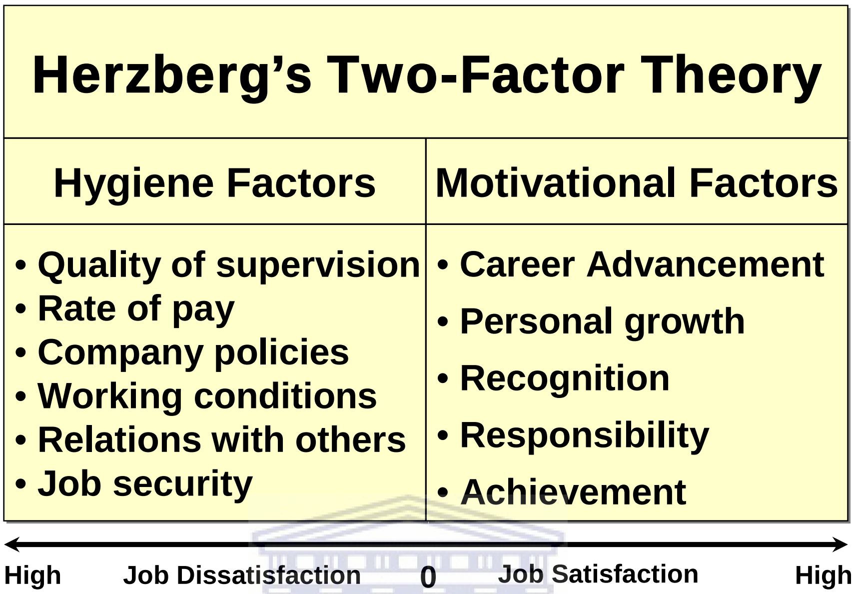
Source: Robbins and Judge (2010)

At the lowest tier, he identified physiological needs which include basic life sustaining needs such as water, food, and shelter. The next level consisted of physical and financial security, while the third tier included needs of social acceptance, belonging and love. The fourth tier incorporated self-esteem needs and recognition by one's peers. The top of the pyramid was reserved for self-actualization needs such as personal autonomy and self-direction. According to Maslow, the needs of an individual exist in a logical order and that the basic lower level needs must be satisfied before those at higher levels. Then, once the basic needs are fulfilled, they no longer serve as motivators for the individual. The more a job allows for growth and acquisition of higher level needs, the more likely the individual is to report satisfaction with his or her job. Furthermore, the success of motivating people depends on recognizing the needs that are unsatisfied and helping the individual to meet those needs (Robbins & Judge, 2010).

Whilst Maslow's theory might have appeal, it also seems to have some drawbacks. Worrell (2004) points out that there is no evidence for this hierarchy of needs, and furthermore, man's needs, even at the lowest levels, are not satisfied by one 'consummatory act'. The author argues that there are always physical needs to be satisfied and draws on evidence showing that the satisfying of certain needs leads to strengthening of those needs rather than the reverse.

Building on the theories of Maslow, Frederick Herzberg made a significant contribution to the discussion of job satisfaction (Worrell, 2004). His theory suggested that the work itself could serve as a principal source of job satisfaction. The result of Herzberg's approach led to the two-factor theory of job satisfaction, sometimes also called motivation-hygiene theory, where job satisfaction was placed on one continuum and job dissatisfaction was placed on a second. Herzberg's theory recognized that work characteristics generated by dissatisfaction were quite different from those created by satisfaction. He identified the factors that contribute to each dimension as "motivators" and "hygienes". The motivators are intrinsic factors that influence satisfaction based on fulfilment of higher level needs such as achievement, recognition and opportunity for growth. The hygiene factors are extrinsic variables such as work conditions, pay and interpersonal relationships that must be met to prevent dissatisfaction. When hygiene factors are poor, work will be dissatisfying. However, simply removing the poor hygiene factors does not equate to satisfaction. Similarly, when people are satisfied with their job, motivators are present, but removing the motivators does not automatically lead to dissatisfaction.

Figure 2.2: Hertzberg’s Motivator-Hygiene Model



Source: Robbins and Judge (2010)

Essentially, job satisfaction depends on the extrinsic characteristics of the job in relation to the job’s ability to fulfil higher level needs of self-actualization, hence the two continuum model of Herzberg's Motivator-Hygiene theory.

Herzberg’s theory was criticized on the basis that his conclusions were based on a very narrow sample of the working population (Robbins & Judge, 2010). Furthermore, Worrell (2004) argued that Herzberg used satisfaction and motivation interchangeably and assumes that increased satisfaction leads to increased motivation, whilst this is not always the case.

However, a number of studies have confirmed Herzberg's findings. Such an example includes a study to determine whether intrinsic factors indeed contributed to job satisfaction and the research established Herzberg's claims that achievement, recognition, advancement, need for autonomy and self-actualisation were the major factors in motivating individuals to perform at their maximum levels, thus leading to high degrees of job satisfaction (Robbins & Judge, 2010). These researchers also found that the significant factors contributing to job dissatisfaction were supervision, personal life, relationships with superiors, relationships with subordinates and relationships with peers.

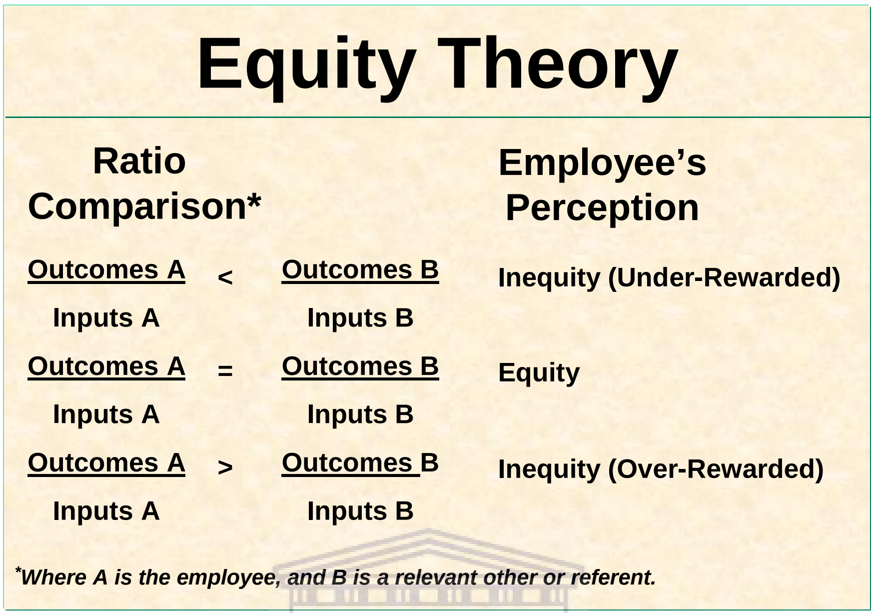
On the other hand, Rowland (1996) argues that the distinction between satisfiers and non-satisfiers is useful and that it is important to recognise that some factors contribute to positive motivation while others can only minimize dissatisfaction.

2.4.2.2 Process theories

Process theories attempt to explain job satisfaction by understanding how motivation is developed by looking at expectancies and values (Worrell, 2004). This theory of job satisfaction suggests that workers select their behaviours in order to meet their needs. Within this framework, Adams and Vroom have become the most prominent theorists.

According to Robbins and Judge (2010), Adams suggested that people perceive their job as a series of inputs and outcomes. Inputs are factors such as experience, ability and effort, while outcomes include things like salary, recognition and opportunity. The theory is based on the premise that job satisfaction is a direct result of individuals' perceptions of how fairly they are treated in comparison to others. Individuals perceive what they get from a job situation (outcomes) in relation to what they put in (inputs), and then compare their outcome-input ratio with the outcome-input ratios of relevant others (Robbins & Judge, 2010). This is shown in Figure 2.3. When individuals perceive their ratio to be equal to that of relevant others with whom they compare themselves, a state of equity exists; perceptions of fairness and justice prevail. When the ratio is perceived as unequal, equity tension prevails and the individual is then motivated to restore the equilibrium.

Figure 2.3: The Equity Theory Model



Source: Robbins and Judge (2010)

This "equity theory" proposes that people seek social equity in the rewards they expect for performance. In other words, people feel satisfied at work when the input or contribution to a job and the resulting outcome are commensurate to that of their co-workers. According to Milkovich and Newman (1990), this social equity is not limited to others within the same workplace, and the equity comparisons often reach into other organisations that are viewed as similar places of employment. Robbins and Judge (2010) suggest that there are four reference comparisons that an employee can use:

a) Self-inside: an employee's experiences in a different position inside the employee's current organisation.

b) Self-outside: an employee's experiences in a situation or position outside the employee's current organisation.

c) Other-inside: Another individual or group of individuals inside the employee's organisation.

d) Other-outside: Another individual or group of individuals outside the employee's organisation

Based on equity theory, when employees perceive inequity, they can be predicted to make one of six choices:

a) Change their inputs (for example, exert less effort);

b) Change their outcomes (for example, producing or increasing the quantity of their outputs, while compromising the quality);

c) Distort perceptions of self (for example, "I used to think I worked at a moderate pace, but now I realise that I work a lot harder than everyone else");

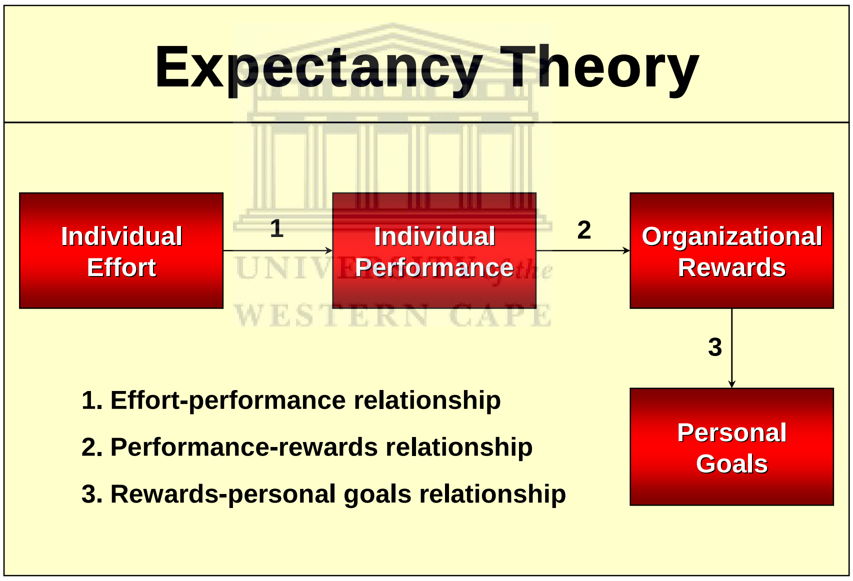
d) Distort perceptions of others (for example, "my colleague's job is not as desirable as I thought it was");

e) Choose a different referent (for example, "I may not make as much as this person, but I am doing much better than that person"); and

f) Leave the field (for example, quit the job).

Robbins and Judge (2010) postulate that Vrooms' theory of job satisfaction was similar in that it looked at the interaction between personal and workplace variables. However, he also incorporated the element of workers' expectations into his theory. His theory posits the view that "the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual" (Robbins & Judge 2010). The essence of this theory is that if workers put forth more effort and perform better at work, then they will be compensated accordingly. The theory focuses on three relationships, as demonstrated in figure 2.4.

Figure 2.4: Expectancy Theory Model



Source: Robbins and Judge (2010)

a) Effort-performance relationship: the probability perceived by the individual that exerting a given amount of effort will lead to performance.

b) Performance-reward relationship: the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.

c) Rewards-personal goals relationship: the degree to which organisational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual.

Discrepancies that occur between expected compensation and actual outcome lead to dissatisfaction. If employees receive less than they expect or otherwise feel as if they have been treated unfairly, then dissatisfaction may occur. Conversely, overcompensation may also lead to dissatisfaction and the employee may experience feelings of guilt. The compensation does not have to be monetary, but pay is typically the most visible and most easily modified element of outcome. Salary also has significance beyond monetary value and the potential to acquire material items is also an indication of personal achievement, organisational status, and recognition. Vrooms' theory also goes one step further to incorporate an individual's personal decision making within the work-place (Robbins & Judge, 2010).

Vroom (1982) explained that employees would choose to do or not do job tasks based on their perceived ability to carry out the task and earn fair compensation. To illustrate and clarify his ideas, Vroom generated a three-variable equation for scientifically determining job satisfaction. Expectancy is the first variable, and this is the individual's perception of how well he or she can carry out the given task. Instrumentality is the second variable of the equation, and this refers to the individual's confidence that he or she will be compensated fairly for performing the task. Valence is the third variable, which considers the value of the expected reward to the employee. In Vroom's formula each variable is given a probability value, and when all three factors are high, workers will be more satisfied and have more motivation. If any of the factors are low, work performance and employee motivation will decline.

2.4.2.3 Situational Theories

The situational occurrences theory emerged in 1992, when Quarstein, McAfee and Glassman stated that job satisfaction is determined by two factors, namely situational characteristics and situational occurrences. Situational characteristics are things such as pay, supervision, working conditions, promotional opportunities and company policies that typically are considered by the employee before accepting the job. The situational occurrences are things that occur after taking a job that may be tangible or intangible, positive or negative. Positive occurrences might include extra vacation time, while negative occurrences might entail faulty equipment or strained co-worker relationships. Within this theoretical framework, job satisfaction is a product of both situational factors and situational occurrences.

An example of such a situational paradigm is the facet model. The focal point of the facet model is the work situation factors, by which the job elements or components, often referred to as job facets, are reviewed in terms of how satisfied employees are with these job facets. According to George and Jones (2005), an individual's job satisfaction in totality is established by summing his or her satisfaction with each facet of the job. This model emphasizes that jobs affect employees in multiple ways and that it is important not to focus on just one or two job related variables to ensure job satisfaction. In addition, George and Jones (2005) caution that it is important to recognise that a job facet that may be deemed important by one individual may not be deemed as important by another individual. Hence, it is important for organisations not to follow a 'one size fits all' approach to job satisfaction.

Table 2.1: Job Facets that play a part in determining Job Satisfaction

Job Facet	Description
Ability Utilisation	The extent to which the job allows one to use one's Abilities
Achievement	The extent to which an employee gets a feeling of accomplishment from the job
Activity	Being able to keep busy on the job
Advancement	Having promotion opportunities
Authority	Having control over others
Company policies and practices	The extent to which they are pleasing to an employee
Compensation	The pay an employee receives for the job
Co-workers	How well one gets along with others in the workplace
Creativity	Being free to come up with new ideas
Independence	Being able to work alone
Moral values	Not having to do things that go against one's conscience
Recognition	Praise for doing a good job
Responsibility	Being accountable for decisions and actions
Security	Having a secure or steady job
Social service	Being able to do things for other people
Social status	The recognition in the wider community that goes along with the job
Human relations supervision	The interpersonal skills of one's boss
Technical supervision	The work related skills of one's boss
Variety	Doing different things on the job
Working conditions	Working hours, temperature, furnishing, office location and layout, etc.

Source: George & Jones (2005)

Another situational theory includes the Steady - State Theory. This theory implies that all employees experience a typical level or degree of job satisfaction, which is referred to as the steady state or equilibrium level. Disequilibrium is caused when changes occur in a work situation, while the employee's satisfaction level will return to the equilibrium state over time (George & Jones, 2005).

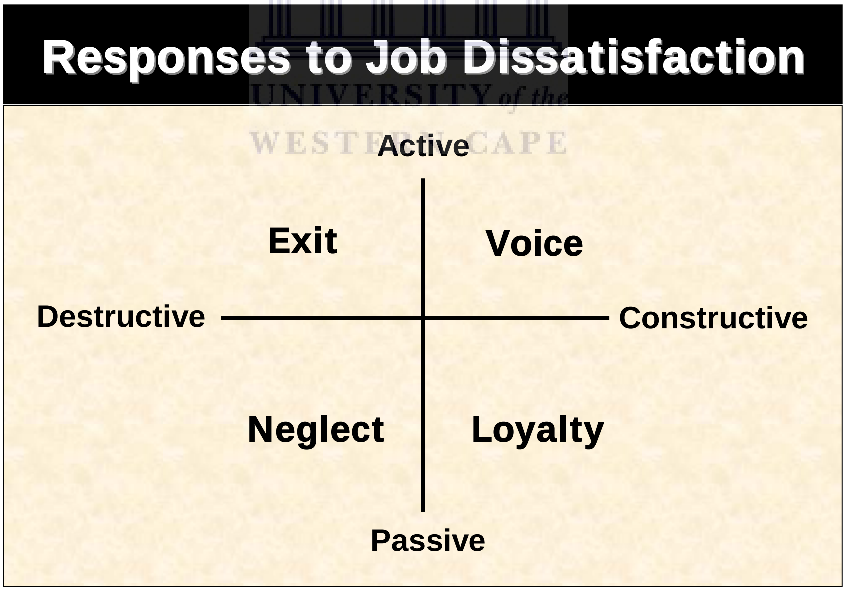
In addition, this theory implies that when managers make changes in the working environment with the intention of improving job satisfaction levels, it is important to determine whether the resulting increases in satisfaction will last for a short while or whether they are permanent or long lasting. Therefore changes in some job facets or work variables may have more positive long lasting effects in terms of job satisfaction than others (George & Jones, 2005). An example of this would be a pay raise. The raise would cause satisfaction to increase, but eventually the worker's satisfaction will return to the steady state.

This theory has not yet been tested extensively through research. Research does show that job satisfaction levels remain fairly stable over time and that changes in the satisfaction levels are often only temporary (Robbins & Judge, 2010).

2.5 JOB DISSATISFACTION

According to Robbins and Judge (2010), while there are consequences when employees experience job satisfaction, there are also consequences when they experience job dissatisfaction and identifies the exit-voice-loyalty-neglect framework as a useful model to classify such consequences. The framework identifies four responses, as illustrated in figure 2.5, which differ from one another along two dimensions, that is, constructive/destructive and active/passive.

Figure 2.5: Responses of Job Dissatisfaction



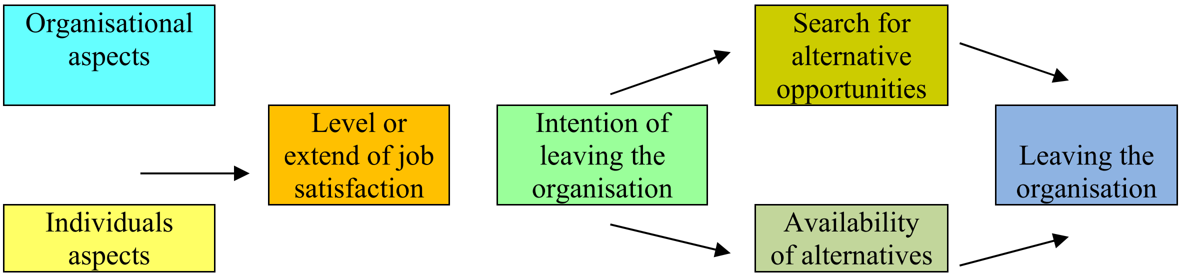
Source: Robbins and Judge (2010)

These responses can be defined as follows:

- Exit - Behaviour that is directed towards leaving the organisation, including looking for a new position as well as resigning.
- Voice - Behaviour that actively and constructively attempts to improve conditions, including suggestions for improvements, discussing problems with superiors, and undertaking some form of union activity.
- Loyalty - Behaviour that involves passively, but optimistically waiting for conditions to improve, includes speaking up for the organisation in the face of external criticism and trusting organisation and its management to "do the right thing".
- Neglect - Behaviour that involves passively allowing conditions to worsen, including chronic absenteeism or late coming, reduced effort and increase error rate.

In addition, various studies such as those of Landy (1989), McCormick and Ilgen (1985) and Spector (1997), indicate a relationship between low levels of employee satisfaction and increased labour turnover. Spector (1997) further indicates a strong relationship between job dissatisfaction and intention to leave an organisation. Figure 2.6 reflects this relationship.

Figure: 2.6: Relationship between job dissatisfaction and intention to leave



Source: (Spector, 1997)

2.6 ORGANISATIONAL COMMITMENT

According to Tsui, Pearce, Porter and Hite (1995), employee retention, productivity and financial success are characterized by high performance and high commitment. The assumption is that when integrated management strategies focus on gaining the commitment of employees, it will subsequently lead to high levels of desired individual behaviour, including retention and ultimately organisational performance.

Walton (1985) believes that the employee commitment practice has replaced the one of employee control. The goal of control is to reduce direct labour cost or improve efficiency, by enforcing employee compliance with specific rules and procedures and base employee rewards on some measureable output criteria (Eisenhardt, 1985; Walton, 1985). In contrast, commitment shapes the desired employee behaviours and attitudes by creating psychological links between the organisation and employee goals. The aim is thus to develop committed employees who can be trusted to carry out their tasks in ways that are consistent with organisational goals.

Storey (1992) supports the notion that a strategy of organisational commitment will empower employees to take greater responsibility and that it will lead to a competitive advantage through their commitment and trust. In addition, Arthur (1994) asserts that organisations had significantly higher performance and lower turnover by using commitment strategies, compared to those using control strategies. In an attempt to understand the underlying value of such commitment strategies and the impact on retention, the concept of organisational commitment will be defined and explored.

According to du Plooy and Roodt (2013), the concept of organisational commitment has grown in popularity in the literature on industrial and organisational psychology. Earlier studies viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty (Mowday, Porter & Steers, 1982). They further refer to an attitudinal perspective as the psychological attachment or affective commitment formed by an employee in relation to his identification and involvement with the respective organisation.

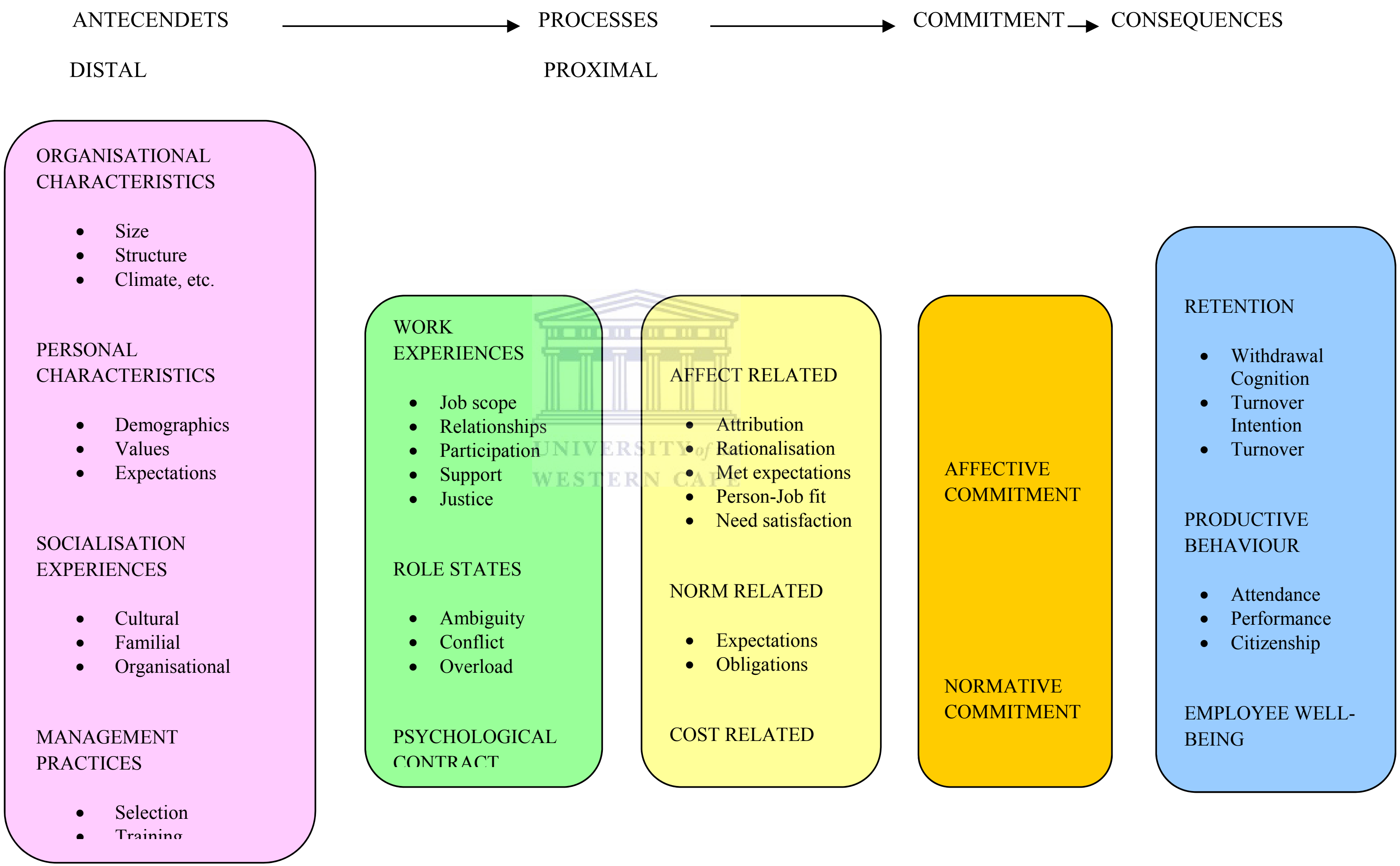
Mowday *et al.* (1982) further describe organisational commitment as an attachment to the organisation, characterised by an intention to remain in it; identification with the values and goals of the organisation; and a willingness to exert extra effort on its behalf. Organisational commitment can thus be considered as a linkage between the individual employee and the organisation, as the individuals considers the extent to which their own values and goals relate to that of the organisation.

Following studies, such as those of Meyer and Allen (1984), initially viewed organisational commitment as two-dimensional, namely affective and continuance. Affective commitment is defined as positive feelings of identification with, attachment to and involvement in the work organisation, while continuance commitment is defined as the extent to which employees feel committed to their organisation by virtue of the costs that they feel are associated with leaving.

Meyer and Allen (1991) further added a third dimension, known as normative commitment, which subsequently describes the concept as tri-dimensional. Normative commitment is described as the employee's feelings of obligation to remain with the organisation (Meyer & Allen, 1991).

Common to the tri-dimensional concept of organisational commitment is the view that organisational commitment is a psychological state that characterises organisational members' relationships with the organisation and has implications for the decision to continue or discontinue membership in the organisation (Meyer & Allen, 1997). Meyer and Allen (1997) developed a tri-dimensional model to further conceptualise organisational commitment. This model, as depicted in Figure 2.7, describes the different ways of organisational commitment development and confirms the implications of such employee behaviour.

Figure 2.7: Organisational Commitment Model



Source: Meyer & Allen (1997)

The model identifies affective commitment as the first dimension, which is also described by Morrow (1983) as a work related attitude with positive feelings towards the organisation. In addition, Mowday *et al*. (1982) describe it as the relative strength of an individual's identification with and involvement in a particular organisation.

The strength of affective organisational commitment is influenced by the extent to which the individuals' needs and expectations about the organisation are matched by their actual experience (Storey, 1992). The organisational commitment model of Meyer and Allen (1997) indicates that affective commitment is influenced by factors such as job challenge, role clarity, goal clarity and goal difficulty, receptiveness by management, peer cohesion, equity, personal importance, feedback, participation and dependability.

Affective commitment development involves identification and internalisation (Beck & Wilson, 2000). Individuals' affective attachment to their organisations is firstly based on identification with the desire to establish a rewarding relationship with an organisation. Secondly, through internalisation, the congruent goals and values held by individuals and the organisation. In general, affective commitment is concerned with the extent to which an individual identifies with the organisation (Meyer & Allen, 1991; Visser & Rothmann, 2012).

The second dimension of the model is normative commitment, which refers to an employee's feeling of obligation to continue employment. Meyer and Allen (1997) further believe that internalised normative beliefs of duty and obligation make individuals obliged to sustain membership in the organisation. Employees thus stay in the organisation because they ought to do so as it is the proper thing to do.

The strength of normative organisational commitment is influenced by accepted rules about reciprocal obligation between the organisation and its members (Suliman & Iles, 2000). Reciprocal obligation is based on the social exchange theory, which suggests that a person receiving a benefit is under a strong normative obligation or rule to repay the benefit in some way (McDonald & Makin, 2000). This implies that individuals often feel an obligation to repay the organisation for investing in them, such as training and development.

Lastly, continuance commitment is identified as the third dimension of the model. Meyer and Allen (1997) refer to it as calculative in nature as the individual is aware of the costs and risks associated with leaving the organisation. They further state that employees whose primary link to the organisation is based on continuance commitment remain because they need to do so, which indicates the difference between continuance and affective commitment. The latter entails that the individual stay in the organisation because they want to.

The strength of the continuance commitment is thus, according to Meyer and Allen (1984), determined by the perceived costs of leaving the organisation. Beck and Wilson (2000) support this notion that continuance commitment is an instrumental attachment to the organisation, where the individual's association with the organisation is based on assessment of economic benefits gained. The need to stay is the "profit" associated with continued participation, while termination of service is a "cost" associated with leaving. McDonald and Makin (2000) therefore argue that retaining employees who are continuance committed requires organisations to give more attention and recognition to those elements that boost the employees' morale to be effectively committed.

In summary, research evidence shows that all three components of commitment are negatively related to employee turnover and the intention to leave (Meyer & Allen 1997). This concept and model is supported by theorists such as Lok and Crawford (2004), who describe organisational commitment as a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation. Organisational commitment is therefore, the degree to which an employee is willing to maintain membership due to interest and association with the goals and values of the organisation.

2.7 EMPLOYEE ENGAGEMENT

Lockwood (2007) reports in the Society for Human Resource Management Quarterly (SHRM), that employee engagement has become a critical business driver for organisational success, as high levels of engagement promotes amongst others, the retention of talent. Furthermore, he reports that engaged employees perform 20% better and are 87% less likely to leave the organisation, which indicates that engagement is directly linked to organisational performance.

Employee engagement is referred to by the Corporate Leadership Council (2004) as the extent to which employees commit to something or someone in their organisation, how hard they work and how long they stay with the organisation as a result of that commitment. Other academic definitions include that of Khan (1990), who defines it as the harnessing of the employee to their work roles; in engagement, employees employ and express themselves physically, cognitively, and emotionally during role performances. In addition, engagement means to be psychologically present when occupying and performing an organisational role.

Rothbard (2001) also defines engagement as psychological presence but goes further to state that it includes two critical components, namely attention and absorption. He refers to attention as the cognitive availability and the amount of time an individual spends thinking about a role while absorption refers to being immersed in a role and the intensity of the individual's focus on that role.

Maslach, Schaufelli and Leiter (2001) position engagement as the opposite or positive direct opposite of burnout. According to them, engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. In addition, according to Gonzalez-Roma, Schaufeli, Bakker and Lloret (2006), research on burnout and engagement has found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigour and dedication) are opposites of each other. Maslach *et al*. (2001) thus define engagement as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption. They further state that engagement is not a momentary and specific state, but rather, it is a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour.

2.7.1 Theory and models of Employee Engagement

A study conducted by Khan (1990) found that there were three psychological conditions associated with engagement or disengagement at work, which includes meaningfulness, safety and availability. He went on further to explain that workers were more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available. These findings were supported by a study conducted by May, Gilson and Harter (2004), who empirically tested the model of Khan (1990).

Maslach *et al*. (2001) provide another model from their burnout literature, which describes engagement as the direct opposite of burnout. According to their theory, six areas of work-life lead to burnout and engagement. These include workload, control, rewards and recognition, community and social support, perceived fairness, and values. Their argument is that engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Engagement will thus, like burnout, mediate the link between these six work-life factors and various work outcomes.

While both the models of Kahn (1990) and Maslach *et al*. (2001) indicate the psychological conditions or antecedents that are necessary for engagement, Saks (2006) argues that they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. According to Saks (2006), a stronger theoretical rationale for explaining employee engagement can be found in the social exchange theory (SET). The SET argues that mutual interdependent relationships between parties can create a state of obligation. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments, as long as the parties abide by certain “rules” of exchange (Cropanzano & Mitchell, 2005).

Cropanzano and Mitchell (2005) further explain that such rules of exchange usually involve a repayment as a response to the actions of another party. An example is when individuals receive economic and socio-emotional resources from their organisation, they feel obliged to respond in a positive way and repay the organisation through their level of engagement. Individuals thus respond in a very profound way to the organisation by bringing themselves more fully into their work roles and devoting themselves more cognitively, emotionally and physically.

Following from the above conceptualization of engagement, Saks (2006) proposes the following model of the antecedents and consequences of employee engagement.

Figure 2.8: Antecedents and Consequences of Employee Engagement

Source: Saks (2006)

In conclusion, it is important to note the definition of disengagement. According to Kahn (1990), disengagement refers to the uncoupling of the individual from their work roles. He further states that people withdraw and defend themselves physically, cognitively or emotionally from role performances during disengagement.

Thus, a holistic view of employee engagement, together with being aware of individual differences and the needs of the generational categories can be useful in order to design and implement workplace policies and practices to engage employees.

2.8 GENERATIONAL DIVERSITY

Schullery (2013) argues that present workplaces are not only culturally diverse, but also generationally diverse. The workforce, for the first time, contains four generations with the entry of Generation Y into the working world, which has immediate consequences for managers and industries. This generation mix all have different workplace values and needs and while each generation's values are different, understanding such variations can lead to the successful management of these groups.

For the purpose of this study, attention will be given to the following three generations under study:

2.8.1 The Baby Boomers

The baby boomers were born between 1945 and 1964 (Allen, 2004). According to Twenge *et al*. (2010), the baby boomers are the largest generation in history and they value simplicity and being in control. They are known as the "me" generation in their non-stop quest for self-gratification. They tend to be risk takers and aggressive in their pursuits.

They are likely to respect authority, but want to be viewed and treated as equals. Baby boomers tend to be driven to succeed and to measure success materially. In the workplace, baby boomers tend to seek consensus, and dislike authoritarianism and laziness. They proactively climbed the corporate ladder, making new rules along the way. Martin and Tulgan (2004) state that downsizing and re-engineering are their two biggest challenges and therefore they have to become accustomed to the sink-or-swim survival mode. What makes it more difficult for them is that they have reached a life stage where it becomes an ever-greater challenge for them to change.

2.8.3 Generation X

Generation X are the people born between 1965 and 1980 (Allen, 2004). They tend to lack the social skills of their parents but have strong technical abilities. They are likely to be self-reliant, individualistic, pragmatic, distrustful of corporations, lacking in loyalty and intent on balancing work and personal life. It was this generation that produced the 1990's dot-com stars. They tend to be outcome-focused and seek specific and constructive feedback. Furthermore, they are likely to value developing skills more than gaining in job title and do not take well to micromanaging (Twenge *et al*., 2010).

2.8.4 Generation Y

Generation Y was born after 1980 and they are called the echo boomers, millenials or the internet generation (Allen, 2004). Much of Generation Y was raised in a time of economic expansion and prosperity and witnessed global events such as the 9/11 terror attack in the United States. Sujansky (2004) states this generation has seen more at an earlier age than what prior generations have been exposed to in this world. They live in a digitally connected and globalized world with ever increasing digital innovations. They are more technically literate, continually wired, plugged in and connected to digitally streaming information, entertainment and contacts. These skills place them in a different category than all the generations before them. They have mastered technology in such a manner that multi-tasking has become a habit and they tend to take that into the workplace.

Francis-Smith (2004) concurs that this generation dislikes slowness and desires immediate feedback about performance and are positioned to be the most demanding generation. Generation Y is likely to perform best when its abilities are identified and matched with challenging work that pushes it fully. They like speed, customization and interactivity and are more likely to 'rock the boat'.

2.9 RETENTION DRIVERS AND STRATEGIES

According to Lockwood (2006), the retention of employees historically received attention either separately or as part of talent management strategies. According to Grobler, Bothma, Brewster, Carey, Holland and Wärnich (2011), retention stems from the integrated nature of managing talent. Managing talent refers to the implementation of integrated strategies and systems to ensure high performance by developing improved processes of attracting, developing, retaining and using people with the required skills and aptitudes to meet current and future business needs. Such strategies and systems are dependent on determining and understanding the variables that impact favourably on the retention of employees. For this reason, Grobler *et al*. (2011) emphasize the need for organisations to establish and understand the reasons why employees are leaving before they can engage in retention strategies.

2.9.1 Retention Drivers

While research findings remain mixed about the reasons why employees are leaving, Table 2.2 summarises the favourable variables of previous research results, based on the work of Birt *et al*. (2004).

Table 2.2: Summary of Favourable Retention Variables

Broad area	Variables identified within area
Compensation and benefits	External equity Internal equity Variable pay (performance related) Performance bonuses Share options Health benefits Guaranteed base salary Retirement benefits
Organisational environment	Open communication/transparency Organisational change readiness Competitive technology level Organisational support and commitment Diversity Formal information/knowledge sharing Fairness Networking opportunities Job security Senior team reputation Company reputation Organisational size and stability
Work/development environment	Empowerment and responsibility Advancement opportunities Personal "buy-in" to business strategy Mentoring programme New opportunities/challenges Performance evaluation and feedback Autonomy/independence Recognition Role clarity Manager quality and integrity Personal fit with company Excellent co-worker quality Internal mobility Teamwork 360-degree feedback Challenging and meaningful work Cutting-edge work Development/learning opportunities Pleasant daily work experiences Productive and friendly work relationships Availability of team-building exercises Status
Work-life balance	Business travel and global exposure Flexible working hours Geographic location of work Option to work from home Extra vacation/longer annual leave Childcare facilities

Source: Birt, Wallis & Winternitz (2004)

The results in Figure 2.9 clearly indicate that previous research has found a mixture of both intrinsic and extrinsic factors. Studies have placed and attached different values to such factors. An example is a study conducted by Stewart (1997), which emphasized extrinsic factors such as employee stock ownership, incentive pay and profit sharing bonuses. On the contrary, intrinsic factors such as meaningful and challenging work, good supervisors and development opportunities were considered more important in a study conducted by Kaye and Jordan-Evans (2002).

Another study conducted by Bernthal and Wellins (2001) identifies a list of retention drivers, which is in line with the list of variables summarised by Birt *et al*. (2004). It includes:

1. Compensation and Benefits
2. Recognition and Rewards
3. Training, Professional Development, Career Planning
4. Recruitment and Orientation
5. Healthy Workplace or Wellness Programmes
6. Work-Life Balance
7. Job Design and Work Teams
8. Employee Participation and Communication

A study conducted by Kgomo and Swarts (2010) to determine the retention factors affecting the call centre industry in South Africa, supports the above work of Birt *et al*.

(2004) and Lockwood (2006). The study of Kgomo and Swarts (2010) identified ten factors that address the high labour turnover in the call centre industry, which could be used as guidelines and as a quality control mechanism by the South African call centre industry to manage the issue of retention. These factors include:

a) **Advanced opportunities**: Encapsulating issues such as internal growth opportunities, the potential for advancement, the importance of career development and the relationship between job performance and career development. It represents the employee's understanding of his/her chance to grow within the organisation.

b) **Recognition:** Takes the feeling of employees into account about whether they are being listened to and recognized for their contributions.

c) **Compensation packages**: A factor which focuses in detail on how employees feel regarding their compensation and benefits.

d) **Staffing strategies**: This factor considers the employment terms, which is either a temporary contract of employment or permanent employment and in turn offers more security.

e) **The work itself**: Referring to the extent to which the job provides the individual with stimulating tasks, personal growth, captures their interest, presents opportunities for learning and provides for autonomy, gives the individual the opportunity to be responsible and to be accountable for results, as well as regular feedback on performance.

f) **Relationships**: Examining the extent to which staff of the entire organisation are working together and form a coordinated unit which cultivates good relationships with customers.

g) **Managerial support**: The degree to which an individual feels that the organisation provides them with the needed support, both practically and emotionally, and cares about their well-being.

h) **Organisational commitment**: The level of respect shown by the organisation for each employee's qualities and contributions, regardless of the job level.

i) **Work-life balance and physical environment**: Including the ergonomic factors that exist between people, their work activities, their equipment, the work system and the environment to ensure that workplaces are safe, comfortable and efficient to promote work with minimal strain and fatigue.

j) **Leadership capability**: This is management's ability to demonstrate interest in and concern for employees. It implies that respect, trust and fairness in relationships with supervisors needs to be executed and supported.

2.9.2 Retention Strategies

Literature identifies various retention factors to consider and strategies which organisations have been adopting over the years of which most have been reactive and consequently less successful (Masibigiri & Nienaber, 2011). According to Mendes and Stander (2011), a more pro-active, modern and effective strategy includes the principles of positive psychology. Positive psychology focuses on human strengths (Luthans, 2002). Cameron, Dutton and Quinn (2003) describe a positive organisation as one that focuses on the dynamics within the organisation that leads to the development of human strength, fosters vitality and flourishing employees, makes possible resilience and restoration and cultivates extraordinary individual and organisational performance. Such positive organisational behaviour fosters engaged employees and this is the key to ensuring high performance and overall wellness for both the organisation and its employees. In turn, it increases the commitment of employees, thereby increasing retention (McHugh, 2001; Visser & Rothmann, 2011). Research supports the concept that retention is the main outcome of a healthy, positive organisation (Davenport & Harris, 2007; Ulrich, Brockbank, Johnson, Sandholtz & Younger, 2008).

According to Snyder and Lopez (2002), the leaders within an organisation play a vital role in creating such a healthy, positive work environment by creating psychologically empowered employees. Psychological empowerment is a motivational construct manifested in four cognitions (Spreitzer, 1995), including:

a) Meaning: the value of a work goal or purpose, judged in relation to an individual's own ideals or standards;
b) Competence: an individual's belief in his or her own capability to perform activities with skill;
c) Self-determination: which indicates the individual's sense of choice in initiating and regulating action; and
d) Impact: the degree to which an individual can influence strategic, administrative or operating outcomes at work.

Thomas and Velthouse (1990) argue that organisations which empower employees through greater meaning, competence, self-determination and impact in their work, experience positive outcomes. Empowered employees offer the benefit of responding more quickly to environmental changes and stakeholder demands, while dealing with the pressures to improve efficiency and performance (Graesley, Bryman, Dainty, Price, Naismith & Soetanto, 2008).

Six dimensions of leader empowering behaviour have been identified by Konczak, Stelly and Trusty (2000), namely:

a) the delegation of authority

b) the leader's ability to emphasise accountability

c) encouragement of self-directed decision-making

d) the leader's ability to share information

e) development of skills

f) coaching to promote innovation

Furthermore, Greco, Lashinger and Wong (2006) posit the view that employees will be empowered if a leader enhances the meaningfulness of work, allows participation in decision-making, facilitates the accomplishment of tasks, communicates confidence in high performance and provides autonomy.

The recent studies of Mohlala, Goldman and Goosen (2012), include another retention strategy approach, which highlights employer branding. Employer branding is the reputation an organisation has in the labour market and its ability to create attachment to the organisation as an ideal place to work or an 'employer of choice' (Davies, 2008). Organisations have discovered that intellectual capital, which is the minds and the hearts of employees, is critical to their success and by being an 'employer of choice' is the foundation of their retention strategy (Armstrong, 2006). This concept investigates and adopts the best practices followed in retention strategies. It stresses that the success of employee retention can be driven through an employee management, development and reward system, all of which are necessary to develop the 'Employee Value Proposition'.

According to Delport (2004), the concept of 'best employer' or 'employer of choice' is about the employer brand or organisation bias. Delport (2004) argue that internal processes and culture are not sufficient for an organisation to be considered as an employer of choice if an organisation has not projected a successful external image of its 'Employee Value Proposition'. Hilbrecht, Shaw, Johnson and Andrey (2008) advise that an organisation that wants to be identified as an employer of choice must have work–life balance programmes that meet the needs of its employees, it must have professional and development opportunities for all employees, it must have an employee friendly and cultural environment; and it must conduct business that is responsible to the community as a whole.

2.10 SUMMARY OF CHAPTER

This chapter has explored the literature regarding the call centre industry, the variables which are regarded as having an impact on retention of the employees in addition to the concept of retention as a multi-faceted construct.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

In an attempt to answer the research questions of the current study, careful consideration was given to the research methodology of the research investigation. Babbie and Mouton (2002) refer to the research methodology as a systematic and methodical process, which identifies the most "objective" (unbiased) procedures. This chapter details the research methodology, which includes the research design, the sampling technique and measuring instrument. In addition, it includes a brief discussion of some of the ethical considerations, as well as the confidentiality principles that were important to successfully carry out this study. Finally, the chapter concludes with the statistical techniques employed to analyse the data.

3.2 RESEARCH DESIGN

For the purpose of this study, a non-probability through a convenience sampling technique was employed to ensure appropriate data gathering. According to Welman and Kruger (2001), the convenience sampling method entails collecting information from members of the population that are near, easily accessible and readily available for the purpose of the research that is being conducted. The ease of accessibility and availability of the respondents, as well as the fact that it is economical in terms of saving both time and money, contributes to the motivation for the chosen technique.

The advantages of the non – probability sampling technique is supported by Sekaran (2000), who states that it is less complicated, found to be less time consuming, generally less expensive and may have been experienced to be more free from statistical complexity.

3.2.1 Population

Sekaran (2000) defines a population as the group of people, events, or things of interest that the researcher wishes to investigate. According to Green (2005), population elements are selected on the basis of their availability. The population group of this study included 66 call centre agents, both permanently and contractually employed, at a financial institution in the Western Cape.

3.2.2 Sample

According to Welman and Kruger (2001), a sample is a small portion of the total set of objects, events or persons which together comprise the subject of a study. Green (2005) describes a sample as elements of the population considered for actual inclusion in the study, or as a subset of measurements drawn from a population in which we are interested. Based on the generalised scientific guidelines for sample decisions as identified by Sekaran

(2000), a sample size of n=43 call centre agents were identified as an adequate amount to ensure the desired level of precision and confidence.

Sekaran (2000) confirms the importance of establishing the representativeness of the sample in order to ensure generalizability and that a thirty percent (30%) response rate is regarded as an acceptable percentage for most types of research.

3.2.3 Procedure

Permission to conduct the study was obtained from the Senior Manager of the Call Centre in the financial institution. Once permission was granted, the researcher contacted each of the Team Leaders of the department, explaining the purpose of the research and to request their assistance with the distribution of the questionnaires. A cover letter (Appendix 1) was sent electronically to each of the team leaders, which they needed to share with their teams. The letter confirmed the purpose of the research and the ethical considerations of confidentiality and anonymity of participants. The team leaders confirmed their willingness to assist with the distribution and the practical implementation. It was decided that each team leader will provide their teams with the questionnaire after one of their bi-weekly training sessions and allow the call centre agents fifteen minutes to complete it. Call centre agents could then drop the completed questionnaire in a sealed container, which the researcher collected after three weeks.

The questionnaire contained one sentence, reiterating the purpose of the research to employees and ensuring confidentiality and anonymity.

Of the 66 questionnaires distributed, a total number of 43 questionnaires were collected, yielding a 65% response rate. Distributing the questionnaires within the teams was convenient and the response rate was quite high.

3.2.4 Data Collection Method

A quantitative research methodology was adopted for the purpose of the study. A personally administered questionnaire, adapted from the work of Birt *et al*. (2004) was considered an appropriate data gathering instrument to assess the retention of the call centre agents.

3.2.4. 1 Data Gathering Instrument

An adapted questionnaire (Appendix 2) based on the work of Birt *et al*. (2004) was used to assess the retention of call centre agents in a financial industry in Cape Town, South Africa.

The Questionnaire consisted of fifty close-ended questions. These closed-ended questions provided the typical advantages of being more convenient, easy to use and less time-consuming for both the researcher when coding and analysing, and the respondent when answering as they do not have to think hard of possible answers and be as articulate to formulate their answers. However, McBurney and White (2010) caution the research community about possible disadvantages of close-ended questions. It includes the risk of respondents not agreeing with any of the options, resulting in limiting answers.

The questions were split into two sections. The first section contained two biographical questions, confirmation of the respondent's age and gender. The second section contained the bulk of the questionnaire as it related to the four main categories of the work related variables:

- Development and Work Environment
- Compensation and Benefits
- Company Environment
- Work-life Balance

A four point Likert scale: crucial (this is a 'make or break' characteristic for me in the job), fairly important (this is a significant plus or minus factor but not make or break), neutral (this would be nice to have, but it would not matter if it was not there), and irrelevant (this would not attract me to a company) was used to measure their responses. In addition to this, participants were required to indicate whether or not the particular variable was perceived to be in place within the organisation.

The following table outlines these four categories and the work related variables that were measured under each of them.

Table 3.1: Main category groupings of work related variables in Section B

Work/ Development Environment

- Very high manager integrity and quality
- Role clarity
- Challenging and meaningful work
- Autonomy/ independence
- Empowerment and responsibility
- Productive and friendly work relationships
- Excellent co-worker quality
- Internal mobility
- Exposure to new opportunities/ challenges
- Recognition
- Personal fit with company culture
- Cutting-edge work
- Advancement opportunities
- Development or learning opportunities
- Personal 'buy in' to business strategy
- Team work
- Pleasant daily work experiences
- Mentoring/ coaching programme
- Availability of teambuilding exercises
- Status

- Performance evaluation and feedback
- 360 degree feedback

Compensation and Benefits

- Guaranteed base salary
- Variable pay (i.e. performance related)
- Share awards
- Health benefits
- Retirement benefits
- Short Term Incentives (STI's)
- External equity (market related pay)
- Internal equity (remuneration)

Company Environment

- Competitive technology level
- Company reputation
- Senior team reputation
- Fairness
- Employment equity
- Organisational change readiness
- Organisational size and stability
- Job security
- Cultural Diversity

- Networking opportunities
- Open communication/ transparency
- Formal information/ knowledge sharing
- Organisational support and commitment

Work-life Balance

- Child care facilities
- Extra vacation/ longer annual leave
- Flexible working hours
- Option to work from home
- Geographic location of work
- Business travel and global exposure

3.2.5 Data Analysis

The data analysis plan of the study was guided by the purpose of the study, as advised by Babbie and Mouton (2002). The Statistical Package for Social Sciences (SPSS) version 21was used to analyse the research data to an intelligible and interpretative form, so that the relations of the research problems could be studied, tested and conclusions drawn. The data analysis included descriptive, as well as inferential statistics.

3.2.5.1 Descriptive statistics

Descriptive statistics were applied to describe the unprocessed data in an understandable way. Sekaran (2000) indicates that the purpose of utilising descriptive statistics is to condense data to a logical and interpretable structure in order to study, test and provide conclusions on the relations of research problems. The descriptive statistics appropriate in this research include percentages and the measurement of means and standard deviations.

3.2.5.2 Inferential statistics

According to Sekaran (2000), inferential statistics allow the researcher to make conclusions about a population from a sample. Moreover, inferences can be made regarding certain characteristics of interest for a population using data from the sample set.

The inferential statistics that were utilised to test the research hypotheses included: the Mann-Whitney and Chi-squared.

3.2.5.2.1 Mann-Whitney

The Mann-Whitney allows a statistical test of the difference between the distributions of data collected in two experimental conditions applied to unmatched groups of subjects by comparing the distributions of the ranks of the scores (Sekaran, 2000). This was an appropriate statistical method to establish if there is a significant difference in retention amongst employees based on their gender.

3.2.5.2.2 Chi-square

The Chi-square test allows a statistical assessment for an association between two variables or the independence of variables (Sekaran, 2000). Hence, the selected statistical method was used to establish if a significant difference exists in retention variables amongst employees based on their age.

3.2.6 Reliability Analysis

Cronbach's alpha was used to assess the reliability of the scale. Reliability refers to the consistency of measures (Babbie & Mouton, 2002). Cronbach's alpha is viewed as an index of reliability associated with the variation accounted for by the true score of the underlying construct (Sekaran, 2000). The alpha coefficients may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales.

3.3 SUMMARY OF CHAPTER

The chapter provided a detailed overview of the research methodology that was employed during the study, while detailing a discussion on the population, the sample which was identified, measuring instrument and the data analysis techniques. Such techniques included the descriptive statistics to describe the characteristics of the sample and inferential statistics to test the research hypotheses.

CHAPTER 4

PRESENTATION OF RESULTS

4.1 INTRODUCTION

In the previous section, the research methodology and design utilised during the current study were outlined. The information provided and discussed in the previous chapters will serve as a background against which the contents of this chapter will be presented and interpreted and is based on the empirical analyses conducted to test the hypotheses.

The statistical programme used for the analyses and presentation of data in this research is the Statistical Package for the Social Sciences (SPSS) version 21. The descriptive statistics computed for the study are presented first in an outline of the characteristics of the sample with regards to the variables included in the study. This is followed by a presentation of the inferential statistics based on examination of each hypothesis formulated for the research.

The upper level of statistical significance for null hypothesis testing was set at 5%. All statistical test results were computed at the 2-tailed level of significance in accordance with the non-directional hypotheses presented (Sekaran & Bougie, 2010).

4.2 DESCRIPTIVE STATISTICS

The descriptive statistics calculated for the sample are provided in the sections that follow. That is, the data pertaining to the variables included in the study, as collected by the data gathering instrument employed, is summarised by means of graphic representation and the calculation of descriptive measures. In this manner, the properties of the observed data clearly emerge and an overall picture thereof is obtained.

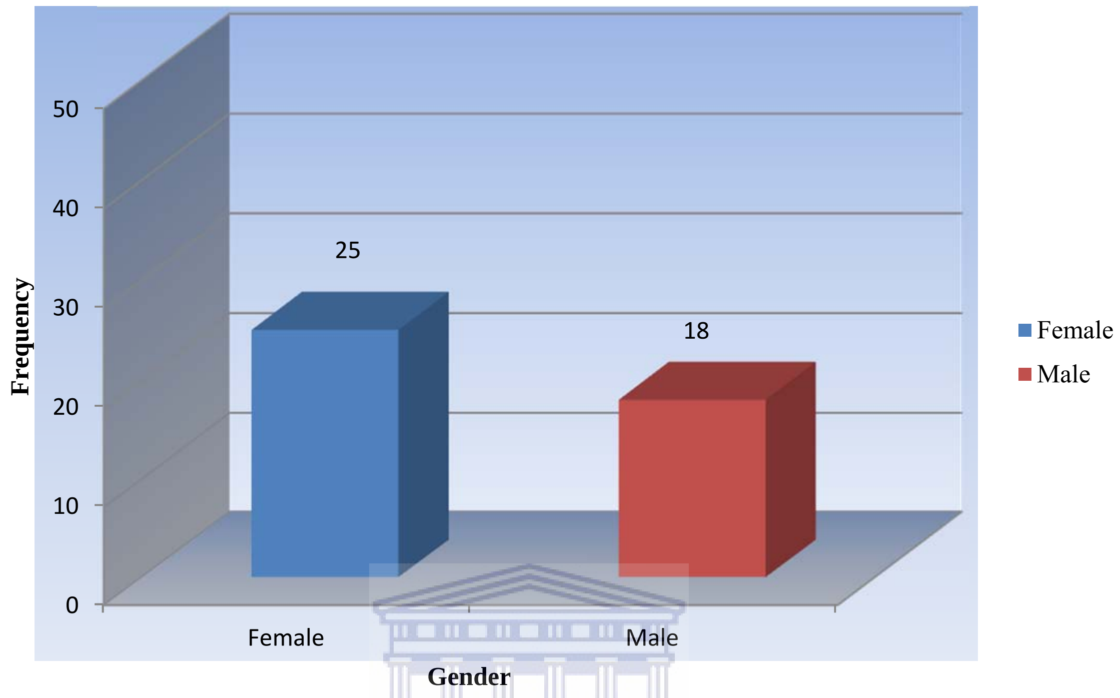
4.2.1 Biographical Characteristics

This section outlines the descriptive statistics calculated as obtained by the variables included in biographical information, Section A, of the questionnaire. The demographic variables that received attention were the gender and age of the respondents.

Descriptive statistics in the form of frequencies and percentages are subsequently graphically presented for each of the above-mentioned variables.

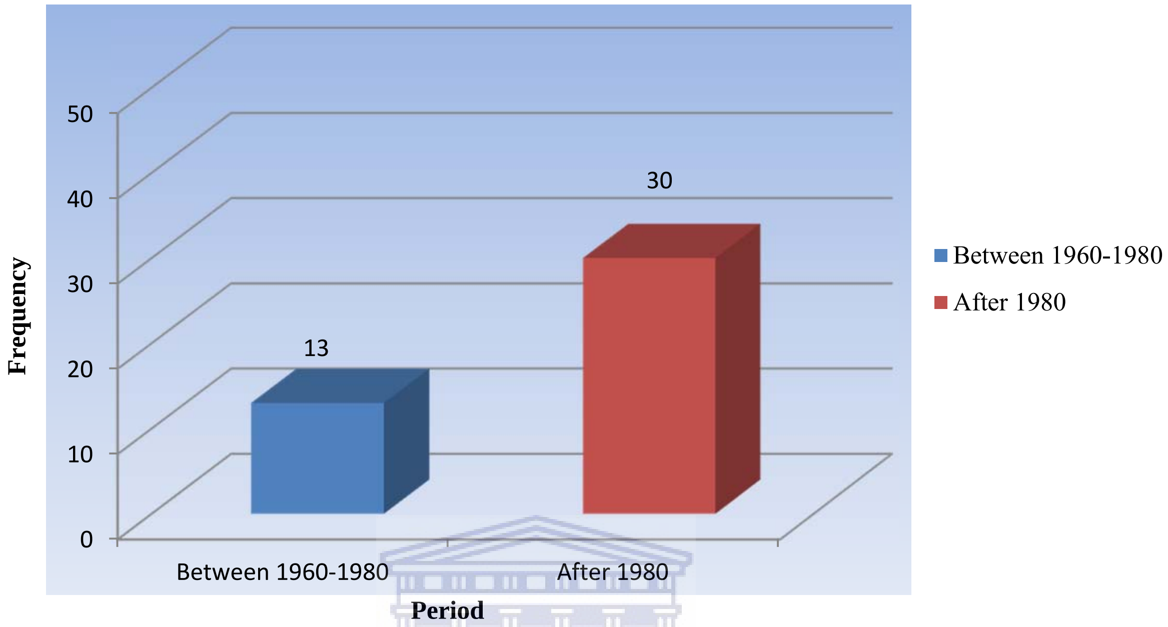
The gender of the respondents is depicted in Figure 4.1 and the age of the respondents in Figure 4.2.

Figure 4.1: Gender of respondents



It can be seen from Figure 4.1 that the majority of the respondents, that is 58% (n=25), were female and the remaining 42% was comprised of male respondents (n=18).

Figure 4.2: Age of respondents



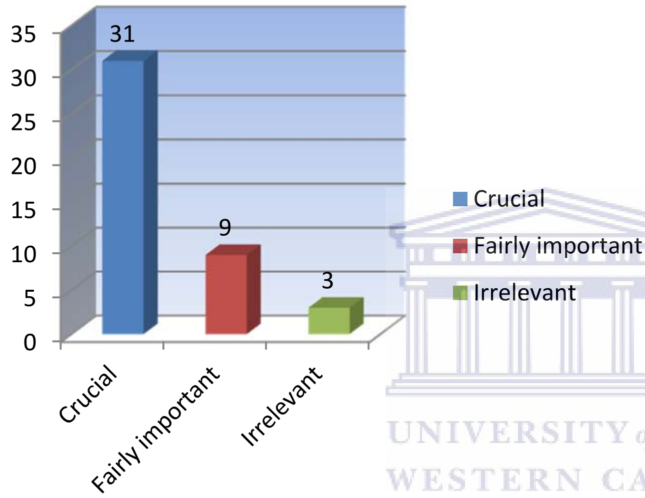
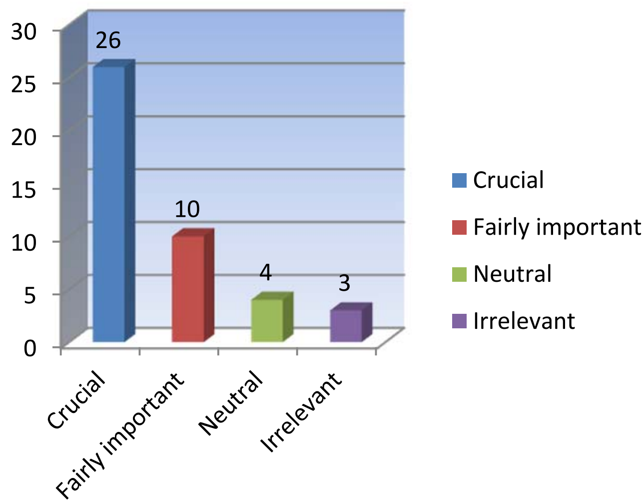
The largest proportion of the sample comprised of respondents in the group born after 1980, that is 70% (n=30), followed by those in the group born between 1960 and 1980, who constituted a further 30% of the sample (n=13).

4.2.2. Work Variables

This section outlines the descriptive statistics calculated as obtained by the variables included in the four broad areas, Section B, of the questionnaire.

Descriptive statistics in the form of frequencies and percentages are subsequently graphically presented for each of the above-mentioned variables.

The work variables of four broad areas depicted in Figure 4.3 to Figure 4.51.

WORK / DEVELOPMENT ENVIRONMENT	
	**Figure 4.3: Manager integrity and quality** The results in the study reveal that 72% (n=31) evaluated manager integrity as crucial, with a further 21% considering manager integrity to be fairly important.
	**Figure 4.4: Role clarity** Role clarity was considered to be crucial among 61% of the sample (n=26), with a further 23% evaluating role clarity as fairly important (n=10).

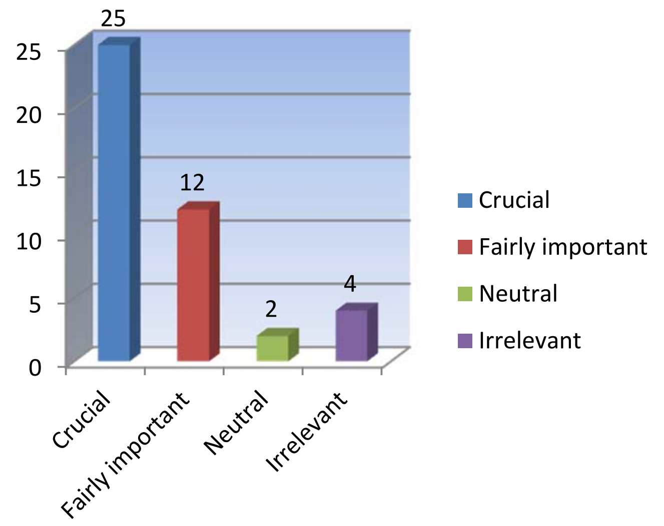


Figure 4.5: Challenging and meaningful work

Fifty eight percent of the respondents regard challenging and meaningful work as crucial (n=25), with an additional 28% considering it to be fairly important (n=12).

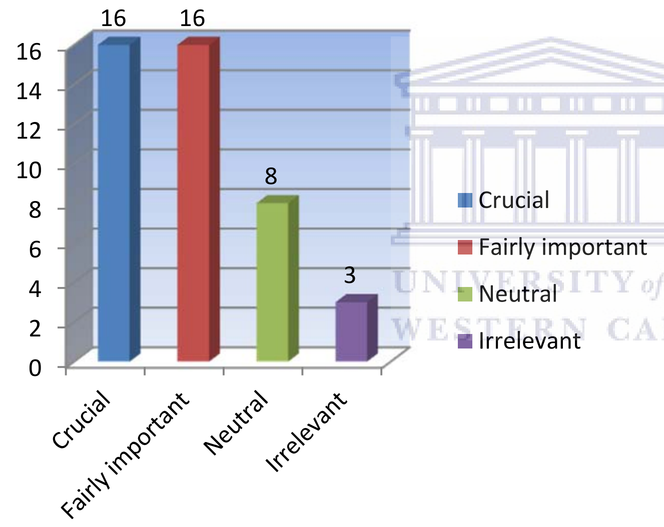


Figure 4.6: Autonomy/ Independence

Respondents considered autonomy/independence to be crucial (37%, n =16) to fairly important (37%, n = 16).

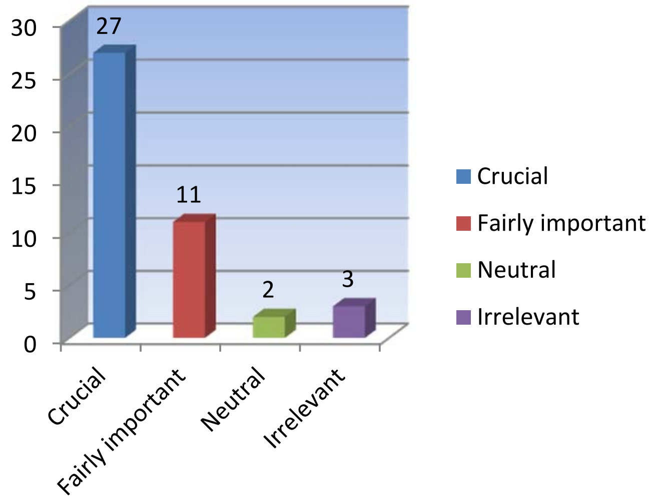


Figure 4.7: Empowerment and responsibility

This dimension was evaluated as crucial by 63% of the sample (n=27), with an additional 26% indicating that it was fairly important (n=11).

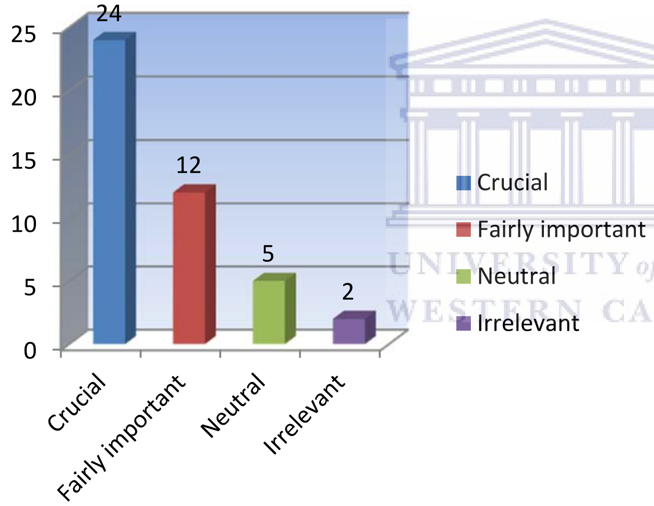
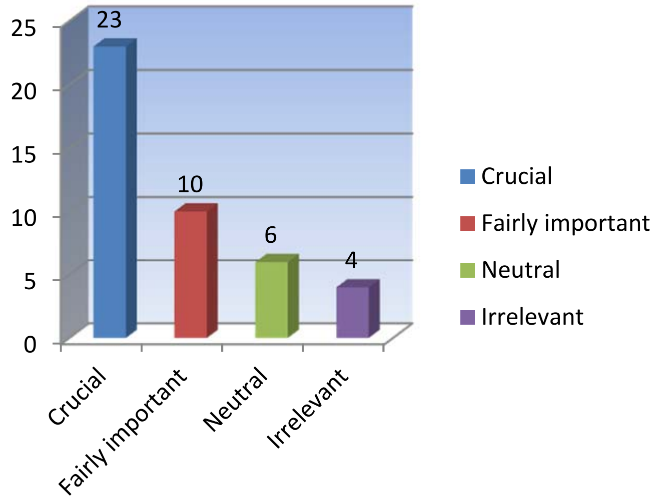
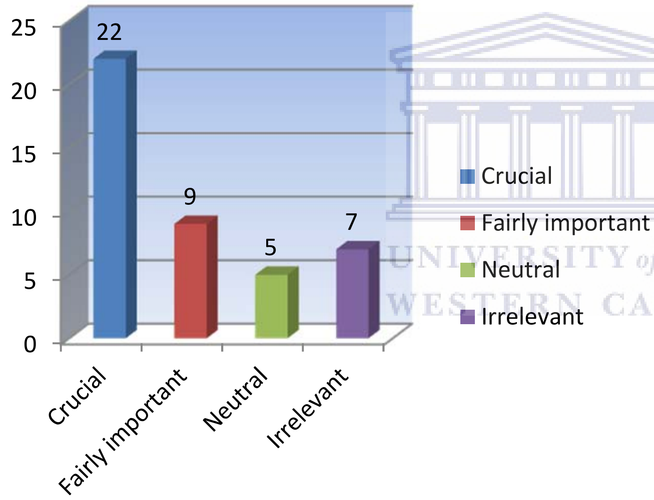


Figure 4.8: Productive and friendly work relationships

Approximately 56% of the respondents appraised productive and friendly work relationships as crucial (n=24) to fairly important (28%, n = 12).

	**Figure 4.9: Excellent co-worker quality** This aspect was considered to be crucial to fairly important amongst 78% of the respondents (n=33).
	**Figure 4.10: Internal mobility** Internal mobility was evaluated as fairly important to crucial by 77% of the respondents (n=31).

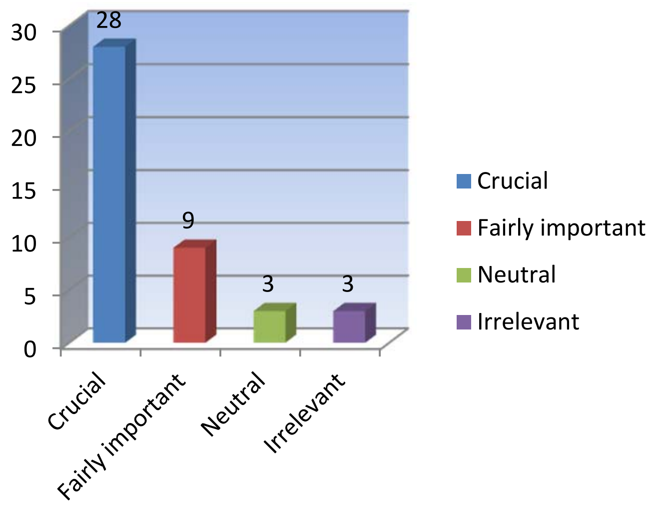


Figure 4.11: Exposure to new opportunities/challenges

Approximately 88% of the respondents felt that exposure to new opportunities and challenges was fairly important to crucial (n=37).

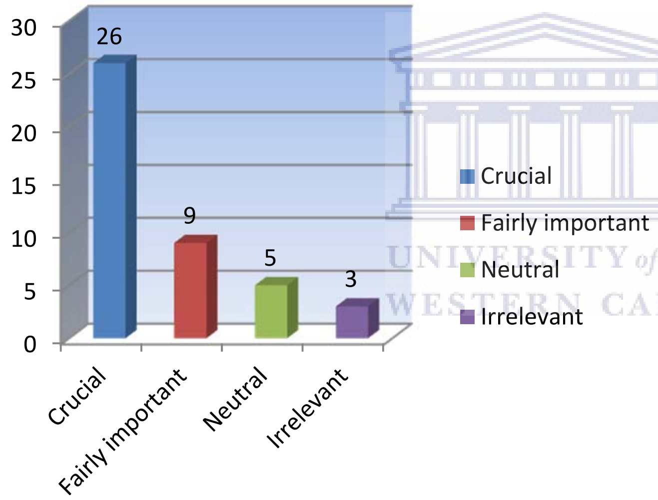


Figure 4.12: Recognition

Recognition was considered to be fairly important to crucial amongst 85% of the respondents (n=35).

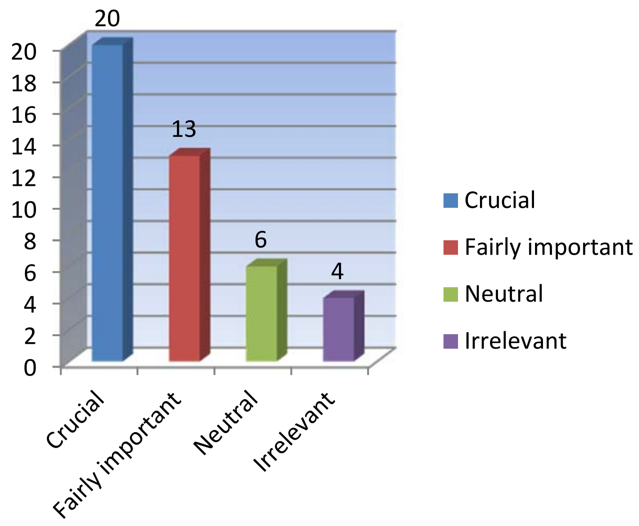


Figure 4.13: Personal fit with company culture

Personal fit with company culture was evaluated as fairly important to crucial amongst 79% of the respondents (n=33).

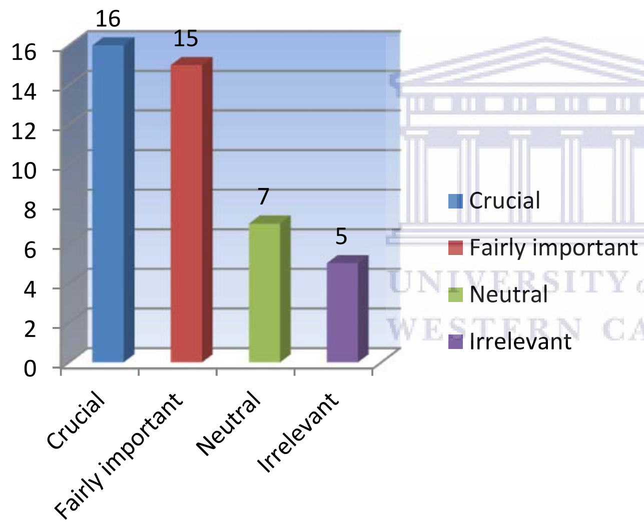
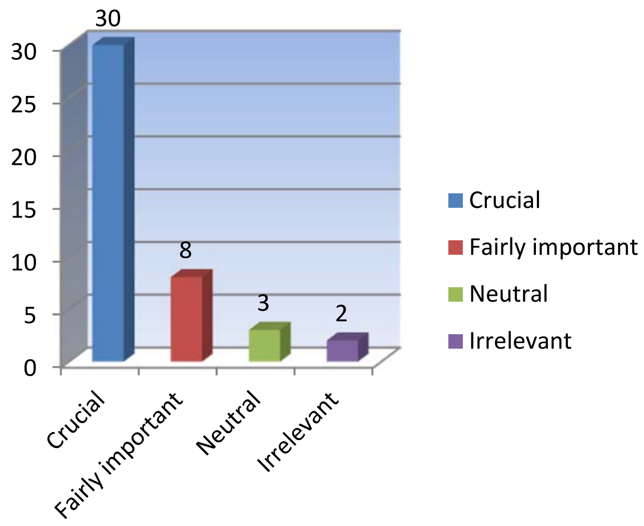
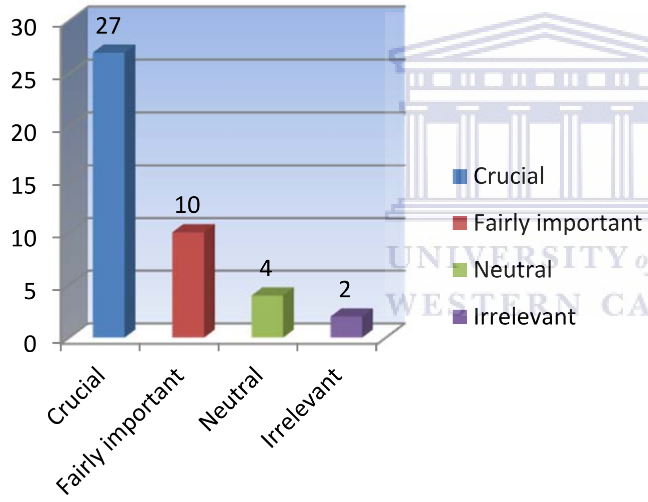


Figure 4.14: Cutting-edge work

The opportunity to engage in cutting-edge work was rated by 74% of the respondents as fairly important or crucial (n=31).

	**Figure 4.15: Advancement opportunities** Approximately 91% of the respondents felt that this was crucial to fairly important (n=38).
	**Figure 4.16: Development or learning opportunities** Development or learning opportunities were considered to be fairly important to crucial by 88% of the respondents (n=37).

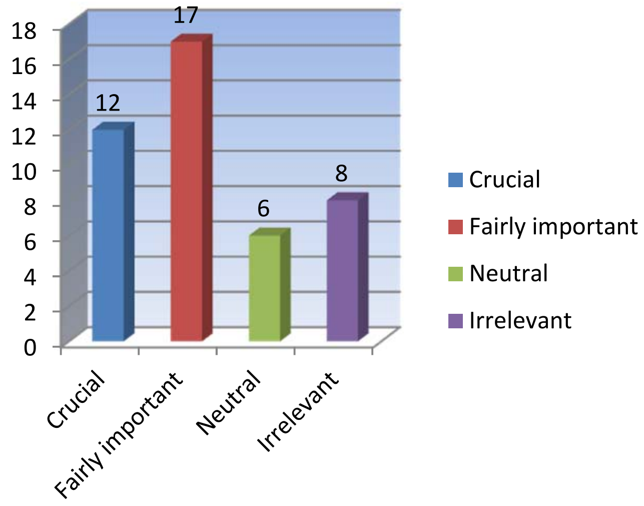


Figure 4.17: Personal buy in to business strategy

This was considered by 73% of the respondents to be fairly important to crucial (n=29).

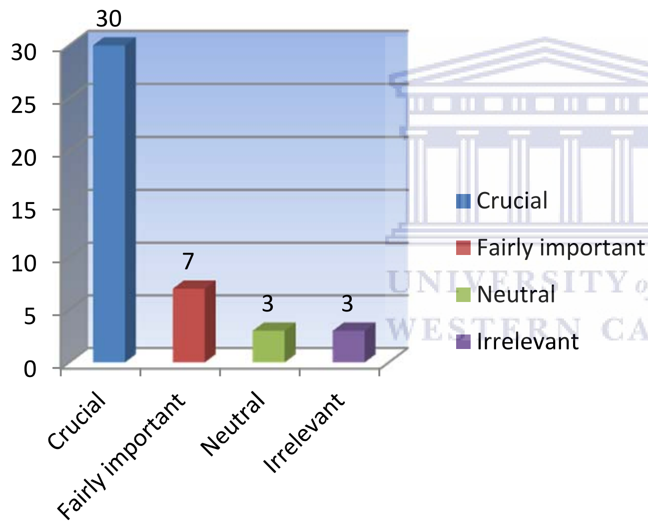


Figure 4.18: Team work

Team work was appraised by 90% of the respondents as fairly important to crucial (n=37).

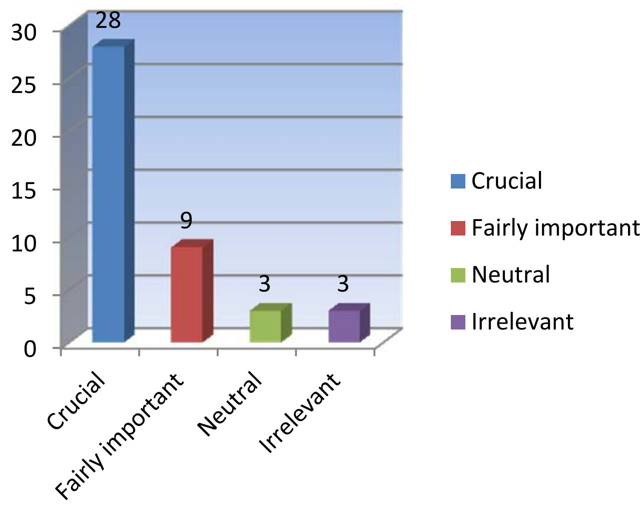


Figure 4.19: Pleasant daily work experiences

Pleasant daily work experiences were evaluated by 88% of the sample as fairly important to crucial (n=37).

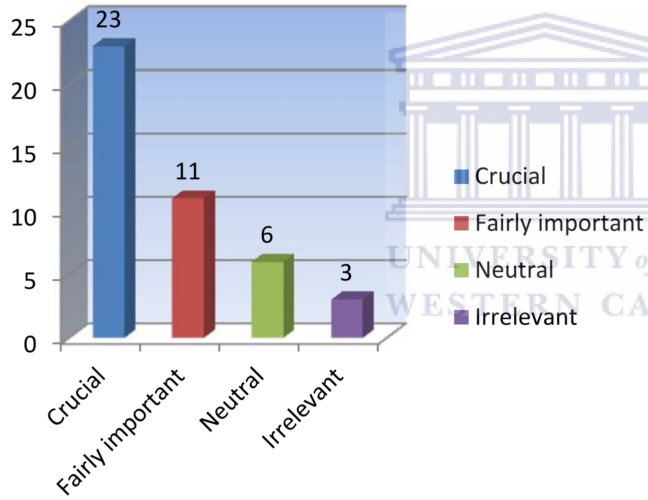


Figure 4.20: Mentoring/coaching programme

A mentoring or coaching programme was considered by83% of the respondents as fairly important to crucial (n=34).

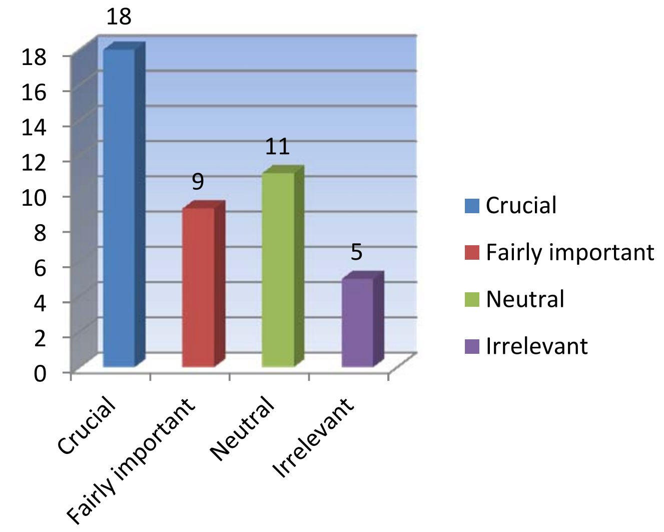


Figure 4.21: Availability of teambuilding exercises

This aspect was considered by 64% of the respondents as fairly important to crucial (n=27).

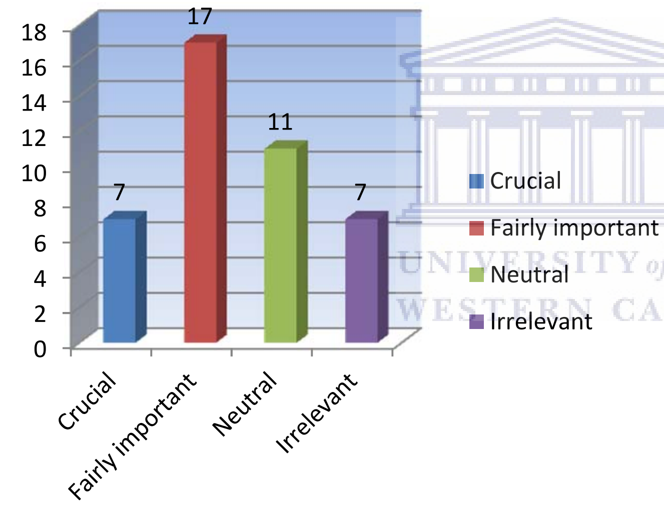


Figure 4.22: Status

Status emerged as one of the least important factors, with 57% (n=24) respondents indicating this as fairly important to crucial.

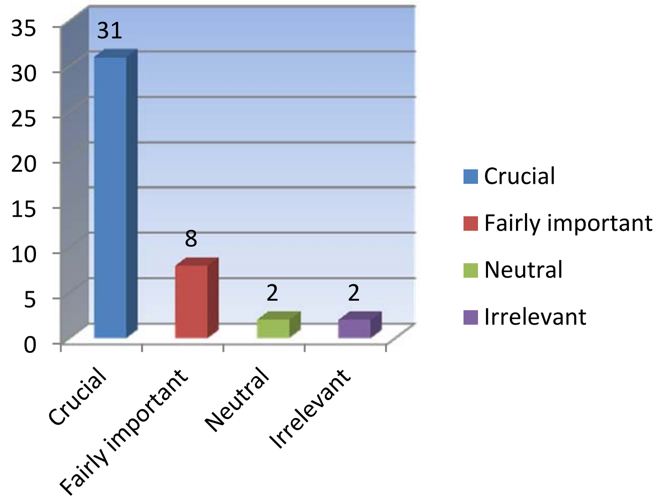


Figure 4.23: Performance evaluation and feedback

Performance evaluation and feedback emerged as one of the most important factors influencing retention and was considered by 93% of the respondents as fairly important to crucial (n=39).

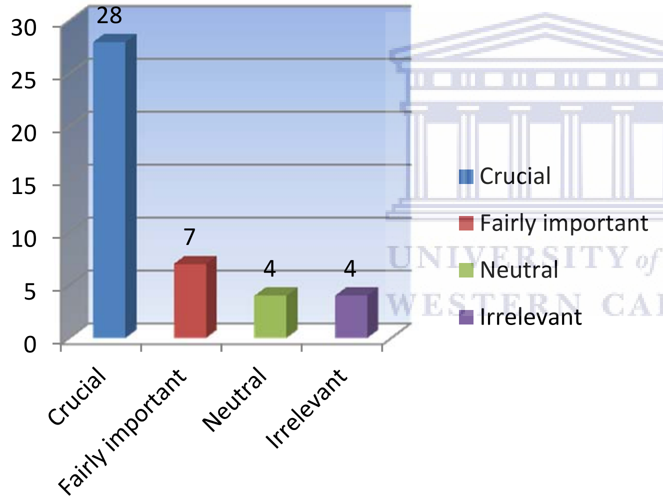
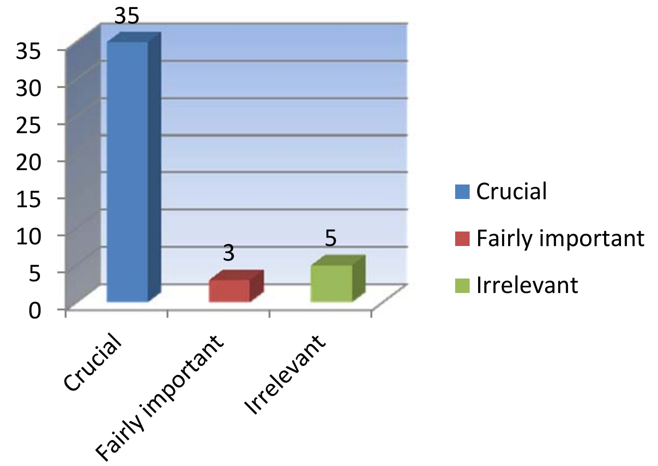
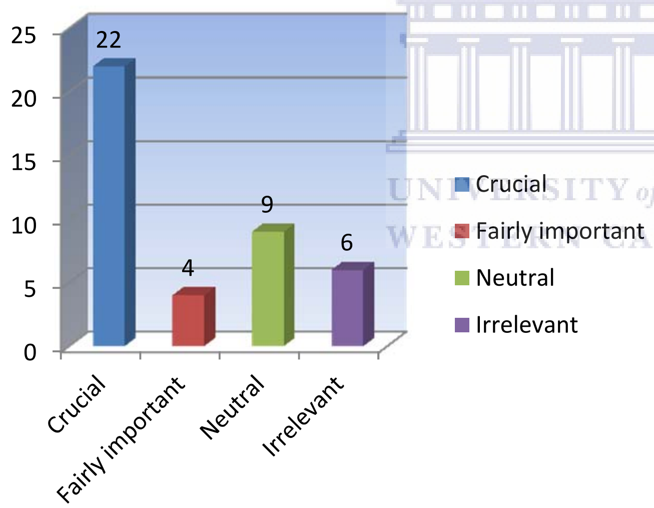


Figure 4.24: 360 degree feedback

This aspect was evaluated by 83% of the sample as fairly important to crucial (n=35).

<table>
<tr><th colspan="2">COMPENSATION AND BENEFITS</th></tr>
<tr><td>
</td><td>Figure 4.25: Guaranteed base pay

Guaranteed base pay was considered by 93% of the respondents as fairly important to crucial (n=38).</td></tr>
<tr><td>
</td><td>Figure 4.26: Variable pay

This aspect was considered by 63% of the respondents to be fairly important to crucial (n=26).</td></tr>
</table>

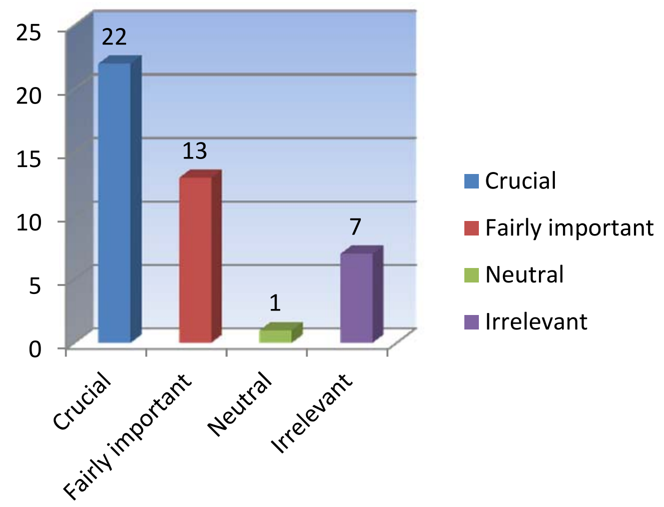


Figure 4.27: Share awards

Approximately 90% of the respondents felt that share awards were fairly important to crucial (n=35).

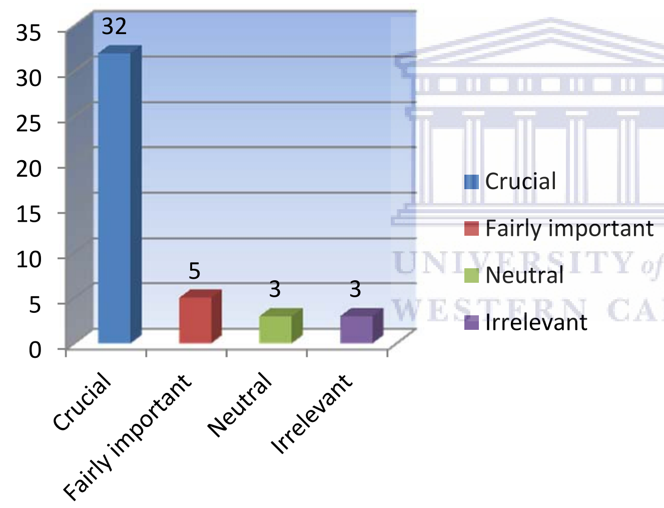


Figure 4.28: Health benefits

Health benefits emerged as one of the most crucial retention factors and was appraised by 90% of the respondents as fairly important to crucial (n=37).

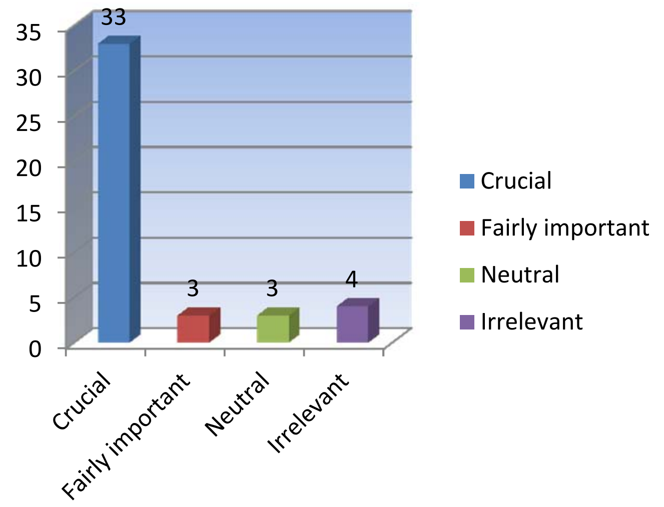


Figure 4.29: Retirement benefits

Retirement benefits were considered by 88% of the respondents as fairly important to crucial (n=36).

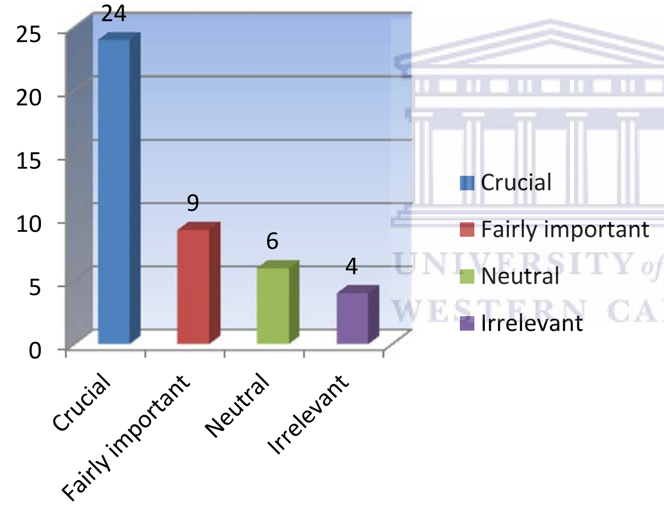


Figure 4.30: Short term incentives

Eighty percent of the sample considered short-term incentives to be fairly important to crucial (n=33).

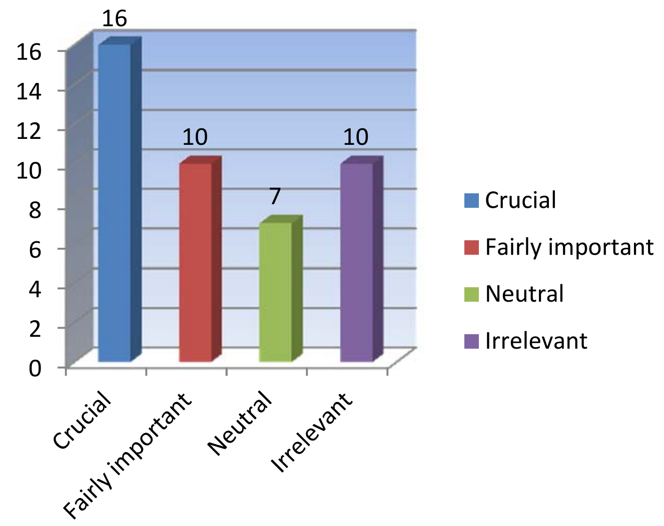


Figure 4.31: External equity

External equity was appraised as fairly important to crucial by 65% of the respondents (n=26).

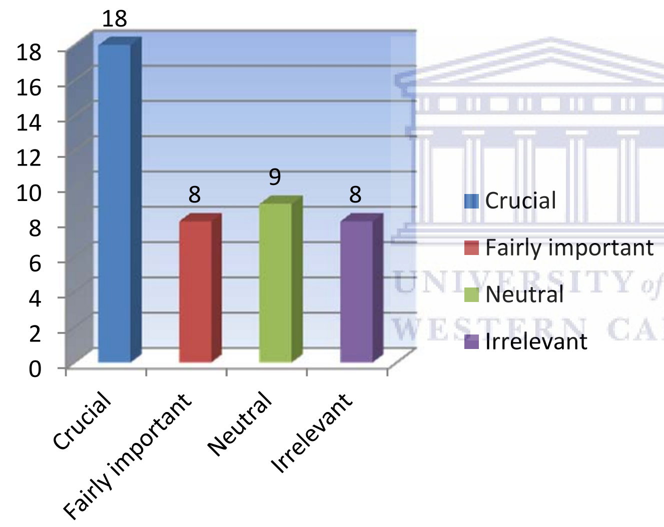


Figure 4.32: Internal equity

Internal equity constituted 64% of the respondents' evaluations as fairly important to crucial (n=26).

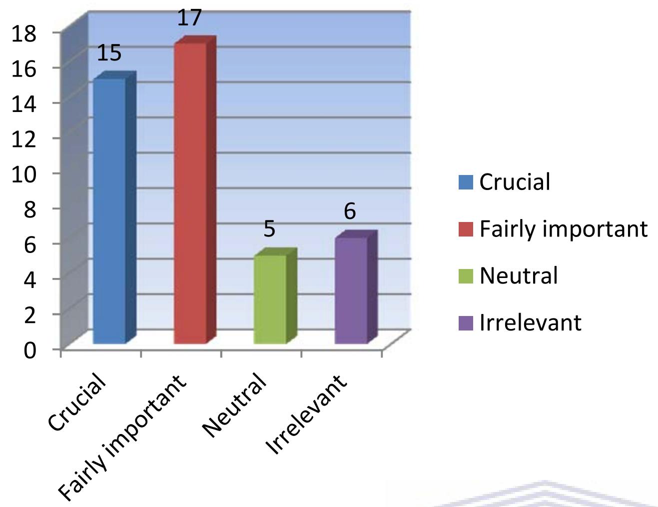
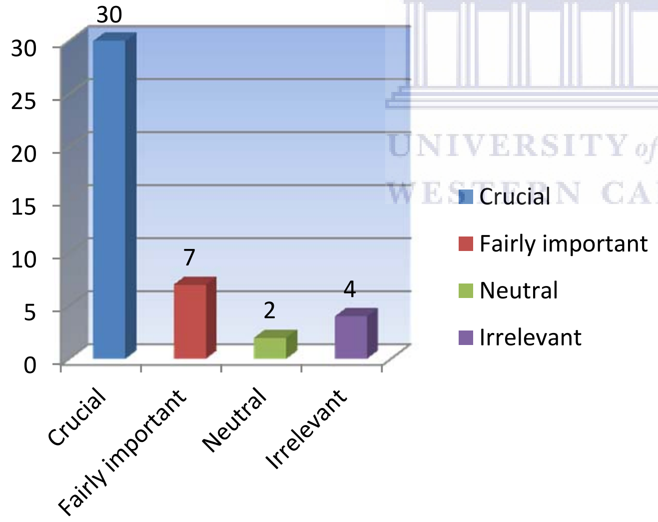
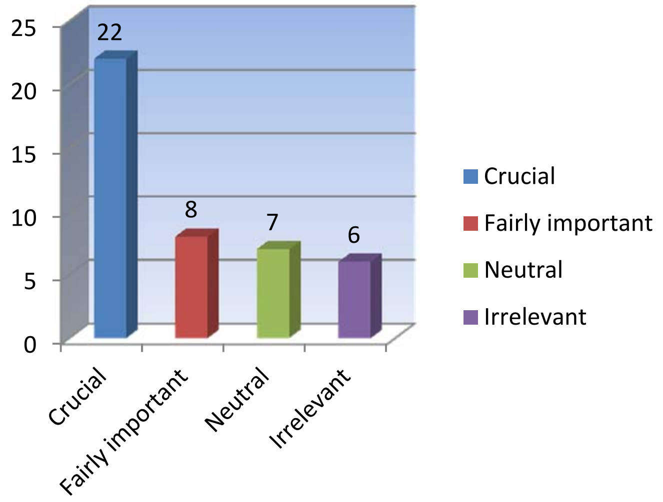
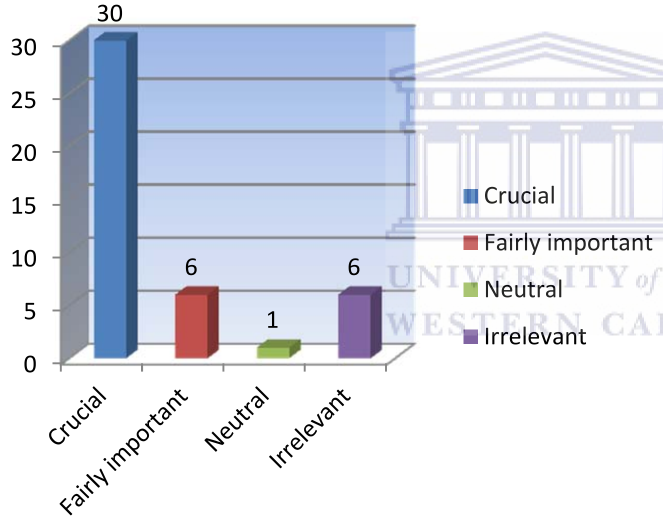
COMPANY ENVIRONMENT	
	**Figure 4.33: Competitive technology level** Seventy-eight percent of the respondents evaluated a competitive technology level as fairly important to crucial (n=32).
	**Figure 4.34: Company reputation** Company reputation was considered by 90% of the respondents to be fairly important to crucial (n=37).

Figure 4.35: Senior team reputation



Senior team reputation was appraised by 75% of the respondents as fairly important to crucial (n=30).

Figure 4.36: Fairness



Approximately 88% of the respondents considered fairness as fairly important to crucial in impacting on retention (n=36).

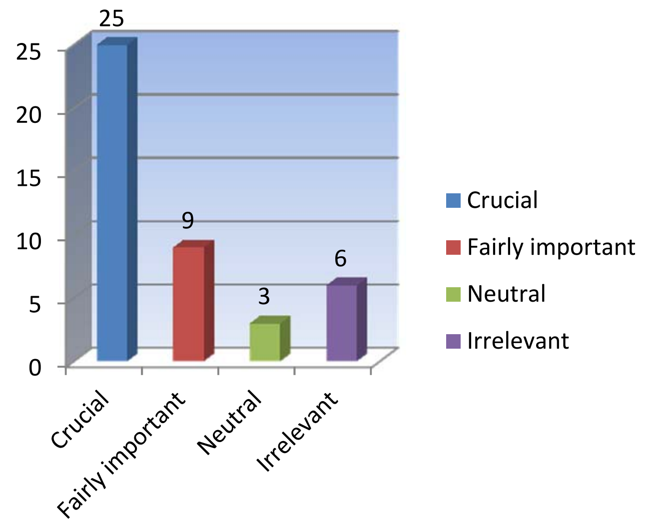


Figure 4.37: Employment equity

Employment equity was regarded by 83% of the respondents as fairly important to crucial in influencing retention (n=34).

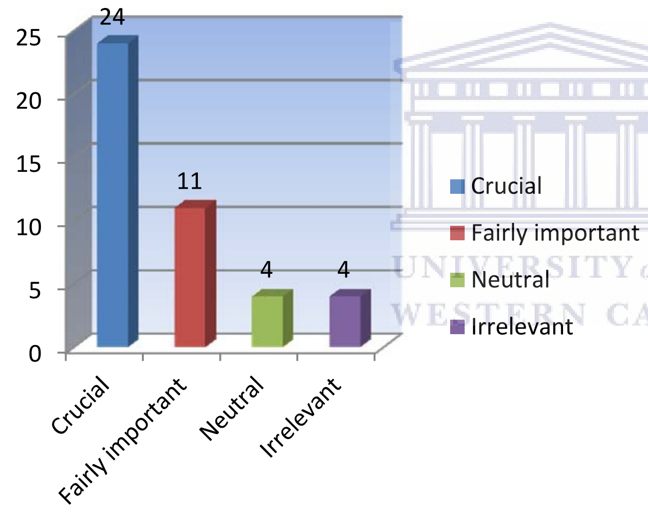


Figure 4.38: Organisational change readiness

Approximately 85% of the respondents agreed that organizational change readiness was fairly important to crucial as a retention factor.

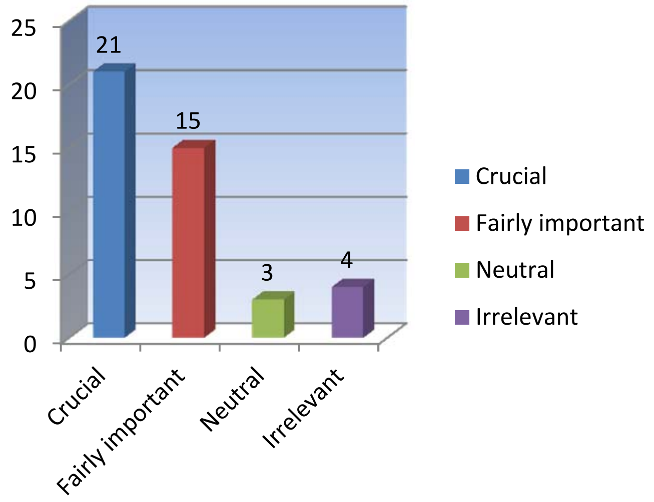


Figure 4.39: Organisational size and stability

Organisational size and stability was evaluated by 90% of the respondents as fairly important to crucial as a retention driver (n=36).

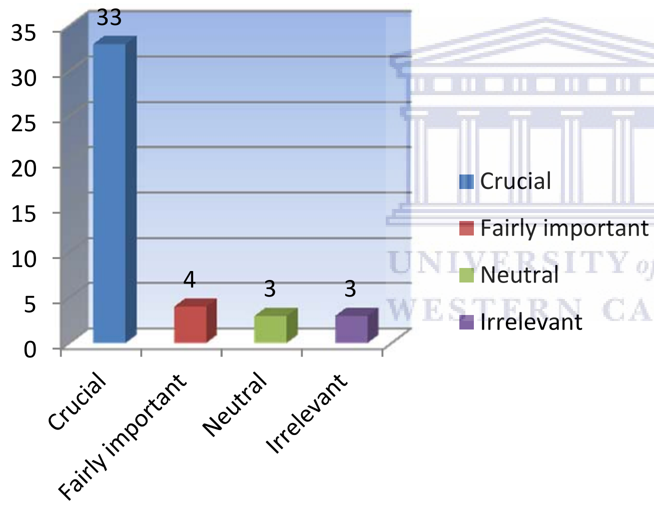


Figure 4.40: Job security

Job security emerged as one of the highest ranked factors in retention, and was appraised by 90% of the respondents as fairly important to crucial (n=37).

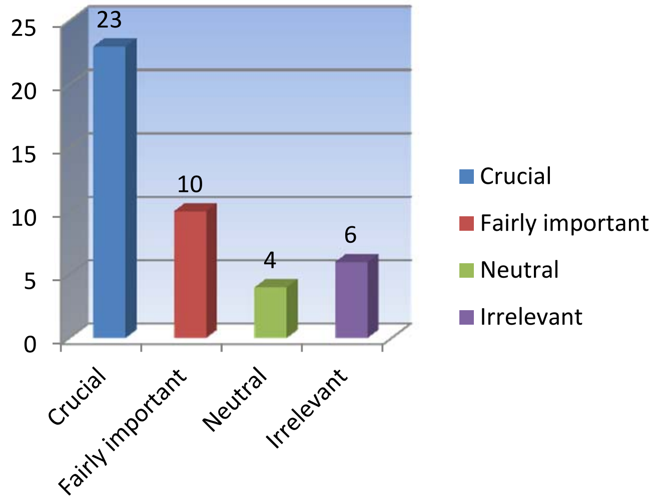


Figure 4.41: Cultural diversity

Respondents considered cultural diversity to be fairly important to crucial (n=33), constituting 81% of the responses.

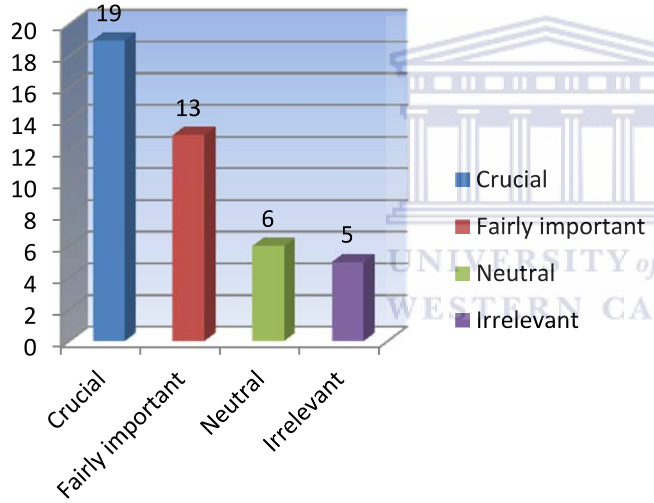


Figure 4.42: Networking opportunities

Networking opportunities were evaluated as fairly important to crucial by 80% of the respondents (n=32).

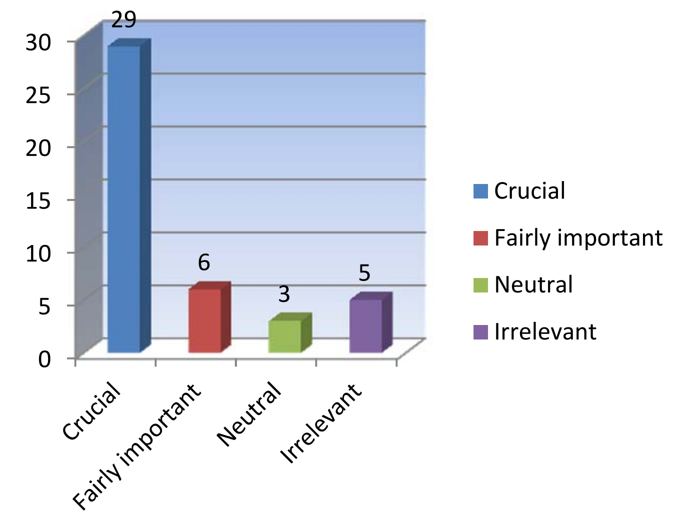


Figure 4.43: Open communication/transparency

Open communication/transparency emerged as fairly important to crucial for approximately 88% of the respondents (n=35).

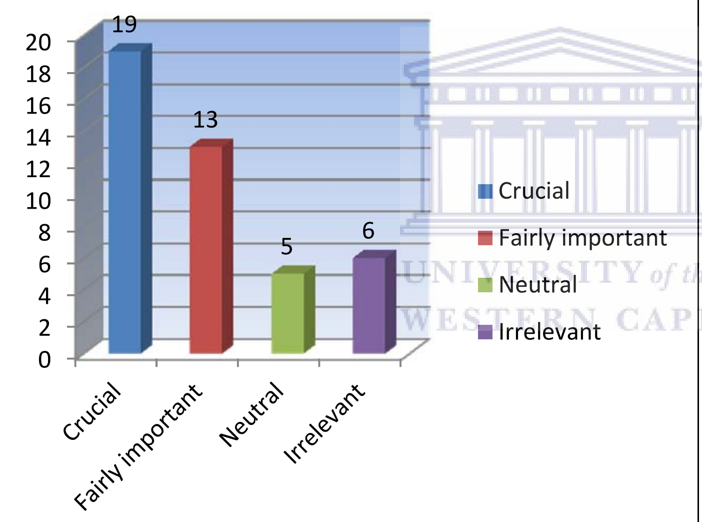


Figure 4.44: Formal information/knowledge sharing

Approximately 80% of the respondents regarded open communication/transparency as fairly important to crucial as a retention factor (n=32).

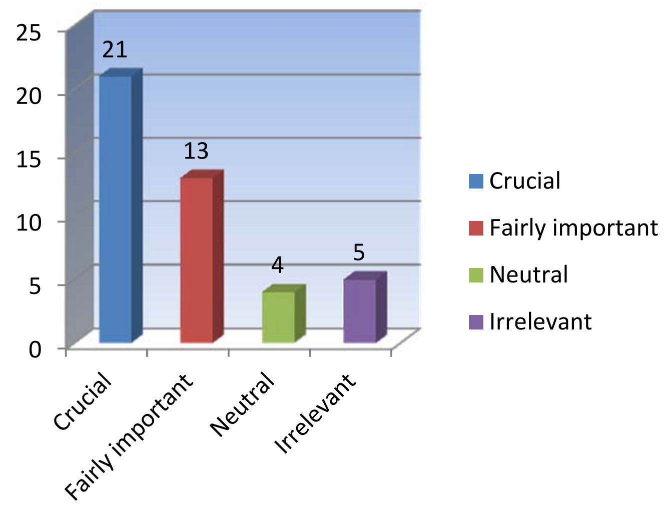
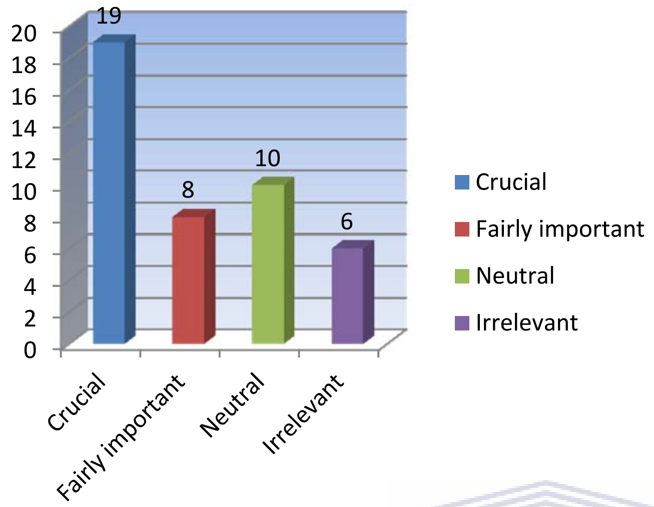


Figure 4.45: Organisational support and commitment

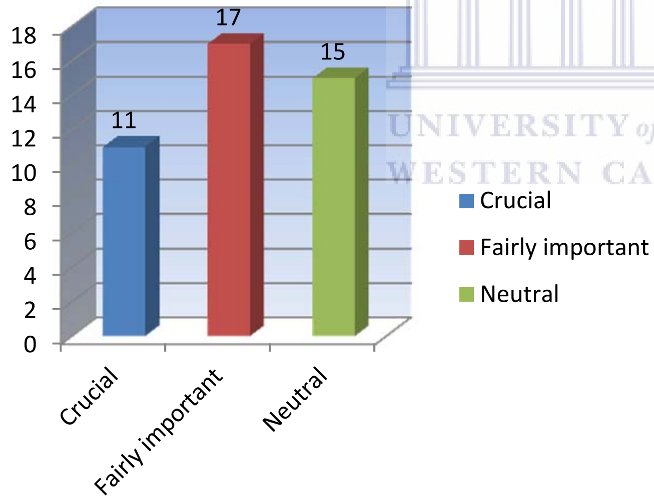
Eight-five percent of the respondents (85%) evaluated organizational support and commitment as fairly important to crucial as a retention driver.

<table>
<tr><th colspan="2">WORK-LIFE BALANCE</th></tr>
<tr><td>


</td><td>

Figure 4.46: Child care facilities

Approximately 66% of the respondents considered child care facilities as fairly important to crucial as a retention factor (n=27).

</td></tr>
<tr><td>


</td><td>

Figure 4.47: Extra vacation / longer annual leave

Having extra vacations or longer annual leave emerged as the least important factor impacting on retention and was considered by 27% of respondents as crucial (n=11).

</td></tr>
</table>

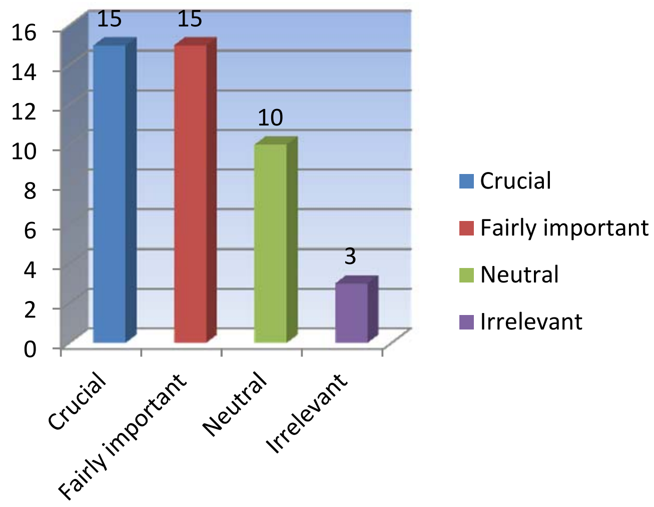


Figure 4.48: Flexible working hours

Flexible working hours were considered by 36% of the respondents as crucial, with a further 36% indicating that it was fairly important (n=15).

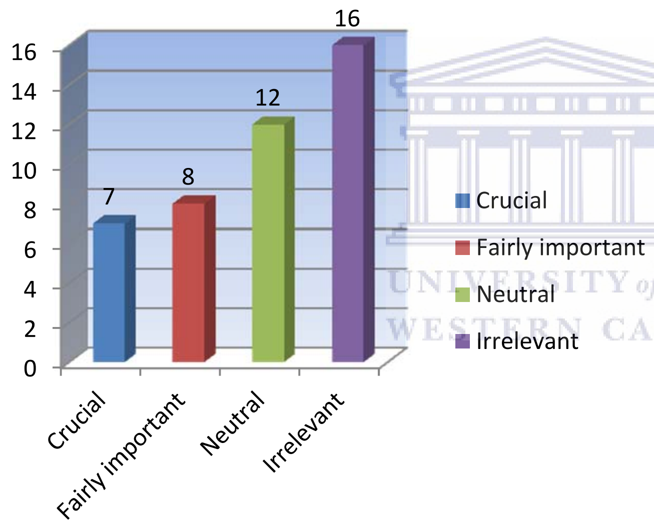


Figure 4.49: Option to work from home

Only 16% of the respondents regarded working from home as an option to be crucial (n=7), with an additional 19% considering it fairly important (n=8). While 28% of the respondents were neutral on this aspect (n=12), 37% of the respondents felt it was irrelevant (n=16).

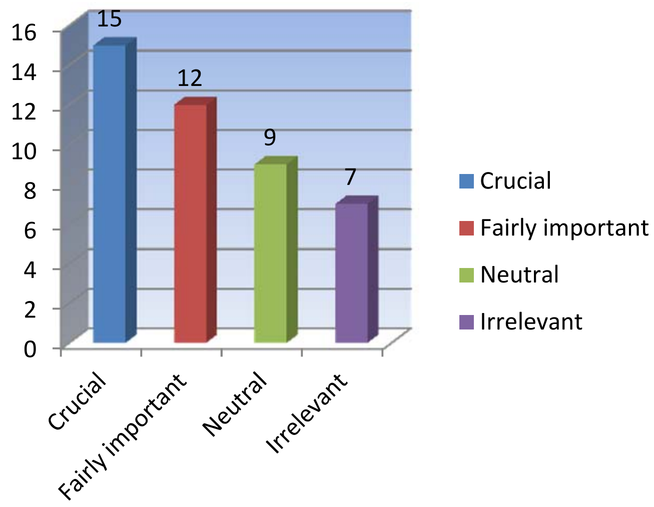


Figure 4.50: Geographic location of work

The geographic location of work was considered by 67% of the respondents as being fairly important to crucial (n=27).

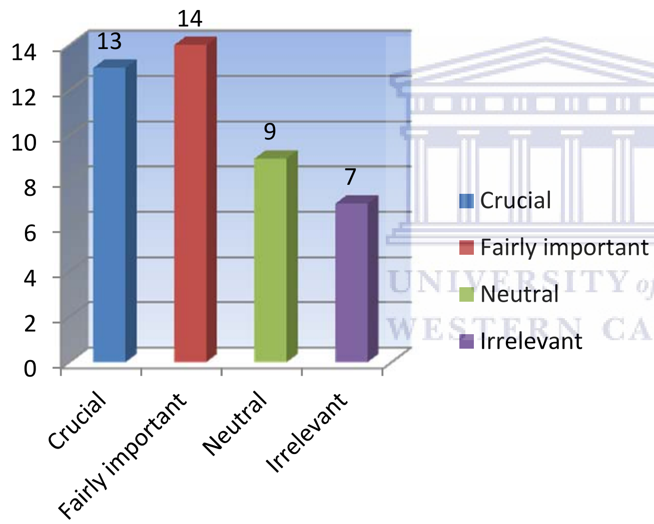


Figure 4.51: Business travel and global exposure

Business travel and global exposure was rated by 64% of the respondents as fairly important to crucial (n=27).

4.2.2.1 Measures of Central Tendency and Dispersion

Table 4.1 Means, Standard deviation for the dimensions of the retention questionnaire

Variable	N	Mean	Std. dev.
Work development environment	43	1.47	.35
Compensation and benefits	43	1.85	.29
Company environment	43	1.73	.38
Work-Life balance	43	1.54	.54

The mean score (M=1.54) for **work-life balance** indicates that respondents consider this one of the most crucial aspects for respondents in the organisation. The standard deviation (sd = .54) shows that there is little variation in the responses of research subjects.

The mean score (M=1.47) for **work development environment** indicates that respondents feel that it is also the most crucial for retention. The standard deviation (sd = .35) shows that there is little variation amongst respondents.

The mean score (M=1.73) for **company environment** attests to the importance that respondents attach to this variable. Moreover, the standard deviation (sd = .38) shows that there is little variation amongst respondents with respect to this attribute. Finally, **compensation and benefits** was regarded as the least crucial (mean = 1.85, sd = .29).

4.3 INFERENTIAL STATISTICS

Hypothesis 1: There will be a significant difference in retention amongst employees based on their gender.

Table 4.2: Mann-Whitney: Gender and retention

	Gender	
	T	***P***
Work development environment	2.367	.001**
Compensation and benefits	3.497	.002**
Company environment	2.874	.005**
Work-Life balance	4.458	.000**

** $p < 0.01$

Table 4.2 indicates that there are statistically significant differences in the dimensions of retention based on gender of the respondents. There was a significant gender difference in retention based on work development environment ($p < 0.01$), compensation and benefits ($p < 0.01$), company environment ($p < 0.01$), and work-life balance ($p < 0.01$).

Hypothesis 2: There will be a significant difference in retention amongst employees based on their age.

Table 4.3: Chi-squared: Age and retention

WORK/DEVELOPMENT ENVIRONMENT	χ^2	P-VALUE
Manager integrity and quality	1.301	0.000
Role clarity	1.882	0.001
Challenging and meaningful work	1.554	0.000
Autonomy/Independence	2.322	0.064
Empowerment and responsibility	1.411	0.000
Productive and friendly work relationships	1.504	0.002
Excellent co-worker quality	1.914	0.008
Internal mobility	1.963	0.000
Exposure to new opportunities/challenges	1.665	0.001
Recognition	1.921	0.048
Personal fit with company culture	1.697	0.357
Cutting-edge work	1.854	0.003
Advancement opportunities	1.446	0.000
Development or learning opportunities	1.320	0.004
Personal buy in to business strategy	1.847	0.562
Team work	1.884	0.012
Pleasant daily experiences	1.411	0.000
Mentoring/coaching programme	1.976	0.196
Availability of team building exercises	1.789	0.007
Status	2.425	0.347
Performance evaluation and feedback	1.297	0.000
360 degree feedback	1.684	0.002
COMPENSATION AND BENEFITS		
Guaranteed base pay	1.224	0.006
Variable pay	1.645	0.001
Share awards	2.324	0.008
Health benefits	1.847	0.000
Retirement benefits	1.233	0.003
Short term incentives	1.236	0.000
External equity	1.334	0.002
Internal equity	1.254	0.000
COMPANY ENVIRONMENT		
Competitive technology level	1.231	0.000
Company reputation	1.244	0.000
Senior team reputation	1.544	0.791
Fairness	1.312	0.005
Employment equity	1.419	0.000
Organisational change readiness	1.738	0.000
Organisational size and stability	1.589	0.006
Job security	1.361	0.002
Cultural diversity	1.114	0.000
Networking opportunities	1.193	0.003
Open communication/transparency	1.352	0.000
Formal information/knowledge sharing	1.697	0.357
Organisational support and commitment	1.976	0.196
WORK-LIFE BALANCE		
Child care facilities	1.452	0.001
Extra vacation / longer annual leave	1.537	0.000
Flexible working hours	1.670	0.000
Option to work from home	1.711	0.002
Geographic location of work	1.743	0.000
Business travel and global exposure	1.763	0.000

* $p < 0.05$

** $p < 0.01$

The results indicated in Table 4.3 indicate that there is a statistically significant difference as perceived by the two age groups.

The results reveal that there are statistically significant differences based on age with relationship to manager integrity and quality (χ^2 = 1.301, $p < 0.01$), role clarity (χ^2 = 1.882, $p < 0.01$), challenging and meaningful work (χ^2 = 1.544, $p < 0.01$), empowerment and responsibility (χ^2 = 1.411, $p < 0.01$), productive and friendly work relationships (χ^2 = 1.504, $p < 0.01$), excellent co-worker quality (χ^2 = 1.914, $p < 0.01$), internal mobility (χ^2 = 1.963, $p < 0.01$), exposure to new opportunities/challenges (χ^2 = 1.665, $p < 0.05$), recognition (χ^2 = 1.921, $p < 0.01$), cutting-edge work (χ^2 = 1.854, $p < 0.01$), advancement opportunities (χ^2 = 1.446, $p < 0.01$), development or learning opportunities (χ^2 = 1.320, $p < 0.01$), teamwork (χ^2 = 1.884, $p < 0.01$), pleasant daily experiences (χ^2 = 1.976, $p < 0.01$), performance evaluation and feedback (χ^2 = 1.297, $p < 0.01$), 360 degree feedback (χ^2 = 1.684, $p < 0.01$).

The results reveal that there are statistically significant differences based on age with respect to guaranteed base pay (χ^2 = 1.224, $p < 0.01$), variable pay (χ^2 = 1.645, $p < 0.01$), share awards (χ^2 = 2.324, $p < 0.05$), health benefits (χ^2 = 1.847, $p < 0.01$), retirement benefits (χ^2 = 1.233, $p < 0.01$), short term incentives (χ^2 = 1.236, $p < 0.01$), external equity (χ^2 = 1.334, $p < 0.01$), internal equity (χ^2 = 1.254, $p < 0.01$), competitive technology level (χ^2 = 1.231, $p < 0.01$), company reputation (χ^2 = 1.244, $p < 0.01$), fairness (χ^2 = 1.312, $p < 0.01$), employment equity (χ^2 = 1.419, $p < 0.01$), organizational change readiness (χ^2 =

1.738, $p < 0.01$), organizational size and stability ($\chi^2 = 1.589$, $p < 0.01$), job security ($\chi^2 = 1.361$, $p < 0.01$), cultural diversity ($\chi^2 = 1.114$, $p < 0.01$), networking opportunities ($\chi^2 = 1.193$, $p < 0.01$), open communication/transparency ($\chi^2 = 1.352$, $p < 0.01$), child care facilities ($\chi^2 = 1.452$, $p < 0.01$), geographic location from work ($\chi^2 = 1.743$, $p < 0.01$) and business travel and global exposure ($\chi^2 = 1.763$, $p < 0.01$).

However, this did not hold true for the impact of age on autonomy/independence ($\chi^2 = 2.322$, $p > 0.05$), personal fit with company culture ($\chi^2 = 1.697$, $p > 0.05$), personal buy in to business strategy ($\chi^2 = 1.884$, $p > 0.05$), mentoring/coaching programme ($\chi^2 = 1.976$, $p > 0.05$), status ($\chi^2 = 2.425$, $p > 0.05$), senior team reputation ($\chi^2 = 1.544$, $p > 0.05$), ($\chi^2 = 2.322$, $p > 0.05$), formal information / knowledge sharing ($\chi^2 = 1.697$, $p > 0.05$), organizational support and commitment ($\chi^2 = 1.976$, $p > 0.05$), extra vacation/longer annual leave ($\chi^2 = 1.537$, $p > 0.05$), flexible working hours ($\chi^2 = 1.670$, $p > 0.05$), and option to work from home ($\chi^2 = 1.711$, $p > 0.05$).

4.3. RELIABILITY ANALYSIS

Cronbach's Alpha is viewed as an index of reliability associated with the variation accounted for by the true score of the underlying construct (Babbie & Mouton, 2002). It is argued that Alpha coefficients range in value from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales. However, there is no lower limit to the coefficient. The closer

Cronbach's coefficient alpha is to 1, the greater the internal consistency of the items of the scale (Babbie & Mouton, 2002).

Table 4.4 Reliability of the Retention Questionnaire

Dimension	Number of items	N	Cronbach
Work development environment	22	43	0.937
Compensation and benefits	8	43	0.864
Company environment	13	43	0.935
Work-life balance	6	43	0.631
Total Retention	49	43	0.959

Cronbach's alpha was used to assess the reliability of the scale. Table 4.4 shows that acceptable Cronbach alpha coefficients were obtained for all the subscales, varying from 0.631 to 0.959 for the total reliability. Scores on all the subscales seem to be distributed normally, because the skewness and kurtosis are within the guidelines of lower –2 or higher than +2 as required by Tabachnick and Fidell (2000). As all coefficients were above 0.7, they can be regarded as acceptable (Nunnally & Bernstein, 1994).

The scores obtained for the retention questionnaire which was administered can be regarded as satisfactory in terms of the reliability of the instrument. George and Mallery (2002) argue that coefficients above 0.8 can be considered to be good indicators of the reliability of an instrument. Hence with the current study, this was exceeded, indicating a high degree or reliability.

4.4 SUMMARY OF CHAPTER

This chapter objectively presented the results of the study using descriptive statistics to describe the results and inferential statistics to make inferences about characteristics of the population based on the sample solicited to participate in the study. This enabled the researcher to identify significant relationships and differences between the variables in the study.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of this study was to determine the factors that have an influence on the retention of call centre agents at a selected organisation in the financial industry. Being aware of identified reasons for the call centre agent turnover will assist the management of the call centre to develop customised and cost-effective retention strategies; and in turn to keep employee turnover to target, while simultaneously minimizing consequent negative outcomes.

This chapter concludes the research objective by discussing the prominent findings of the study, while making reference to relevant research to substantiate the findings. Conclusions are drawn based on the obtained results, and limitations and recommendations presented.

5.2 BIOGRAPHICAL INFORMATION

The sample used for this study consisted of 43 call centre agents working in a call centre of a financial institution in the Western Cape. The majority of the respondents, that is 58% (n=25), were female and the remaining 42% comprised of male respondents (n=18).

While the target population includes three generational groups, only two responded and hence represented within the sample. The largest proportion of the sample comprised of respondents in the group born after 1980, also referred to as Generation Y, that is 70% (n=30). Respondents in the group born between 1960 and 1980, also known as Generation X constituted the remaining 30% of the sample (n=13).

5.3 CRITICAL RETENTION VARIABLES

Research (Bothma & Roodt, 2012; Greyling & Stanz, 2010) suggests that employees leave organisations for a variety of reasons. The results of the study indicate that call centre agents rated both intrinsic and extrinsic variables as fairly important to crucial in terms of factors influencing retention. However, the variables that reflected as the top five most critical factors influencing retention in the study included 'Guaranteed base salary' as the highest rated variable, with both 'Retirement funds' and 'Job security' rated as second highest; the third highest rated variable was 'Health Benefits', and the fourth most critical variables were both 'Manager integrity and quality' and 'Performance evaluation and feedback'. It is interesting to note that these variables fall within the Compensation and Benefits, the Work/Development environment, as well as the Company environment categories, all of which fall within the extrinsic variable category.

The results relate closely to various studies that identify these variables as critical when making a decision to leave an organisation. A South African study conducted by Kinnear and Sutherland (2000) concluded that a competitive remuneration package was ranked number 1 out of 10, as the most preferred retention strategy. Extensive research conducted by the Corporate Leadership Council at hundreds of companies revealed that base pay, manager quality and health benefits are most important to employees (Burleigh, Eisenberg, Kilduff & Wilson, 2001). Selden and Moynihan (2000), report that that poorly designed wage and benefit policies can lead to staff turnover, as turnover is higher in organisations with less desirable compensation options. Febriansyah (2010) identifies performance appraisals, pay and benefits, as well as health and safety as some of the critical factors to consider when facilitating retention. According to Döckel, Basson and Coetzee (2006), compensation offers an opportunity for security, autonomy, recognition, and an improved self-worth.

It is important to take into consideration that the results could be a reflection of the organisational context in which this research was conducted. The recruitment strategy of the organisation includes the services of recruitment agencies, which results in many of the sample call centre agents being employed on temporary employment contracts. According to De Cuyper and De Witte (2005), research indicates that the formal employment contract has been identified as perhaps one of the most critical factors affecting job insecurity. More specifically, job insecurity is exacerbated in temporary employment arrangements to the extent that job insecurity has been suggested to reflect the subjective counterpart of temporary employment (Parker, Griffin, Sprigg & Wall, 2002).

A study conducted by Wellins, Bernthal and Phelps (2007) concluded that feedback and recognition emerge as two of the most important factors influencing employee commitment to their employers. As literature indicates, retention is a multi-faceted construct and essentially, that organisations must recognise both intrinsic and extrinsic factors and appreciate the factors which are important to employees (Joäo & Coetzee, 2011).

5.4 THE RELATIONSHIP BETWEEN THE RETENTION VARIABLES AND BIOGRAPHICAL VARIABLES OF THE CALL CENTRE AGENTS

Table 4.2 indicates that there are statistically significant differences in the dimensions of retention based on gender of the respondents. There was a significant gender difference in retention based on work development environment, compensation and benefits, company environment, and work-life balance.

The results in Table 4.3 reveal that there are statistically significant differences based on age with regards to manager integrity and quality, role clarity, challenging and meaningful work, empowerment and responsibility, productive and friendly work relationships, excellent co-worker quality, internal mobility, exposure to new opportunities/challenges, recognition, cutting-edge work, advancement opportunities, development or learning opportunities, teamwork, pleasant daily experiences, performance evaluation and feedback, and 360 degree feedback.

The results reveal that there are statistically significant differences based on age with respect to guaranteed base pay, variable pay, share awards, health benefits, retirement benefits, short term incentives, external equity, internal equity, competitive technology level, company reputation, fairness, employment equity, organisational change readiness, organisational size and stability, job security, cultural diversity, networking opportunities, open communication/transparency, child care facilities, geographic location from work and business travel and global exposure.

However, this did not hold true for the impact of age on autonomy/independence, personal fit with company culture, personal buy-in to business strategy, mentoring/coaching programmes, status, senior team reputation, formal information / knowledge sharing, organisational support and commitment, extra vacation/longer annual leave, flexible working hours, and the option to work from home.

5.4.1 Gender

While a considerable amount of literature seems to be contradictory regarding the relationship between gender and retention (Billingsley & Cross, 1992; Tsang, 1991), various studies support the outcome of the findings.

Du Plooy and Roodt (2013) posit the view that genders differ in how they respond to stimuli which may lead to different withdrawal behaviour. Literature indicates that the career experiences and advancement opportunities of females differ radically from those of their male counterparts, as males advance faster, further and with greater compensation (Phillips & Irmhoff, 1997). Several studies support moderator effects of gender in the prediction of turnover intentions (Burke, Koyuncu & Fiksenbaum, 2008; Karatepe & Aleshinloye, 2009).

Thomas and Dunkerley (1999) suggest that the demands to work longer hours and the difficulties of balancing career and home life, have a negative impact on female managers. Huselid (1995) report a significant relationship between gender and employee turnover.

The general argument appears to be that women as a group tend to be less likely to leave their employing organisation than are their male counterparts (Cramer, 1993; Harrison & Hubbard, 1998; Mathieu & Zajac, 1990; Mowday *et al*., 1982). More specifically, a study by Loscocco (1990) revealed that women were more likely to report that they are proud to work for their organisation, that their values and the company's values are similar, and that they would accept almost any job offered to them in order to remain with their current employer.

Mowday *et al*. (1982) attribute this to the fact that women generally have to overcome more and greater barriers to attain their positions within organisations. Harrison and Hubbard (1998) are further of the opinion that women are less likely to leave an organisation because they encounter fewer options for employment. Sekaran (2000), on the other hand, suggests that the situation may be explained by the fact that women are generally dual-income family members who would not be unduly concerned with making more money, but are inclined to derive satisfaction by doing the best job in their existing workplaces or positions.

5.4.3 Age

It is generally assumed that different age groups respond differently to stimuli based on generational or age differences (du Plooy & Roodt, 2013). Karatepe and Aleshinloye (2009) report that age relates negatively to an employee's intentions to leave an organisation. According to Robbins and Judge (2010), several research findings on the age-turnover relationship indicate that the younger an employee is, the more likely they are to leave the organisation; and that older employees are less likely to quit their jobs. According to Mobley (1997), this can be attributed to the fact that younger employees may have more entry-level job opportunities, fewer family responsibilities and inaccurate or unrealistic job expectations, and are therefore not fulfilled in their early jobs. In addition, the possibility exists that their movement from one organisation to another is easier than their older counterparts.

Two reasons for the positive correlation between commitment and age can primarily be found in literature. Firstly, as individuals' age, alternative employment opportunities tend to decrease, making their current jobs more attractive (Mathieu & Zajac, 1990; Mowday *et al*., 1982). Secondly, older individuals may be more committed to their organisations because they have a longer lasting investment and a greater history with the organisation than do younger employees (Harrison & Hubbard, 1998).

Therefore, younger employees are generally likely to be more mobile and to have lower psychological investments in the organisation. The older employees become, the less willing they are to sacrifice the benefits and idiosyncratic credits that are associated with seniority in the organisation (Hellman, 1997).

The preceding argument surmises that general differences exist between retention and age. However, the findings of this particular study, which indicate that there are no significant differences in certain retention variables, can be supported by studies which found no difference in certain variables across age groups (Lord, 2002).

5.5 DISCUSSION OF CORE EMPLOYEE RETENTION FACTORS

The mean score (M=1.54) for **work-life balance** indicates that respondents consider this to be one of the most crucial aspects for respondents in the organisation. The standard deviation (sd = .54) shows that there is little variation in the responses of research subjects.

The mean score (M=1.47) for **work development environment** indicates that respondents feel that it is also the most crucial for retention. The standard deviation (sd = .35) shows that there is little variation amongst respondents.

The mean score (M=1.73) for **company environment** attests to the importance that respondents attach to this variable. Moreover, the standard deviation (sd = .38) shows that there is little variation amongst respondents with respect to this attribute.

Finally, **compensation and benefits** was regarded as the least crucial (mean = 1.85, sd = .29).

It appears overall, that the sample identified both intrinsic and extrinsic variables of the four core retention factors as fairly important to crucial.

With particular reference to both the company development and work development environment factors, a survey conducted by Borstorff and Marker (2007), among 2 200 individual employees, concluded that a favourable work environment creates higher job satisfaction and a lower intention to leave. Variables that enhance job satisfaction include job autonomy, challenge, control, importance and encouragement from supervisors. On the other hand, variables that diminish job satisfaction include the existence of rigid procedures, use of surveillance, lack of resources, and restricted control over work procedures (Blum *et al*., 2000). Mitchell *et al*. (2001) maintain that being asked to do something against one's beliefs, observing unfair employment practices, having a major disagreement with a senior, employee discomfort with the company culture and a sense of not belonging, correlate with intent to leave. Longenecker and Scazzero (2003) further assert that intent to leave often correlates with a better job opportunity elsewhere, more money, a bad supervisor, lack of appreciation, or an inability to get time off from work.

In addition to the above need for favourable company development and work development environment factors, the sample's high regard for work-life balance can be supported by the research of Mendes and Stander (2011), who recognise the need of overall wellness for both the organisation and its employees. In addition, they argue that successful organisations focus on both performance and health. This approach is based on positive psychological principles, which refers to such an organisation as a healthy organisation. Positive psychology is a modern and holistic approach, which focuses on the dynamics within the organisation that lead to the development of individual and organisational performance (Luthans, 2002). According to Wilson, De Joy, Van den berg, Richardson and McGrath (2004), the results of a healthy organisation are extremely beneficial to both the employee and the organisation including decreased stress levels and moreover fostering engaged employees, increased commitment of employees and thereby lowering the risk of losing employees (McHugh, 2001).

5.6 CONCLUSIONS AND IMPLICATIONS FOR MANAGEMENT

Managing employee retention in the call centre industry is challenging, as it seems that turnover in the industry is always likely to be higher than that in other fields of employment (Kgomo & Swarts, 2010). While acknowledging that this fact is important, it still seems critical that attempts should be made to identify the factors that influence the retention of call centre agents and minimize the cost of employee turnover, especially when considering the negative outcomes.

One of the practical contributions of this study relate to an increased understanding of the implications with regard to workforce diversity. The findings of this study have important implications and considerations for the organisation's current employment and retention strategies. Practices that match the needs of the individual with those of the organisation are likely to result in higher levels of satisfaction, commitment and engagement (Döckel, 2003; Mendes & Stander, 2011). In addition, the findings reiterate the argument of Joäo and Coetzee (2011) that both intrinsic job motivators and extrinsic job motivators need to be congruent with employees' own needs, making them feel affectively and normatively committed to their employer to reduce turnover intentions. The practical implications should impact on all the HR value chain activities, ranging from employee entrance level to employee exit level considerations.

Based on the top five variables regarded by the sample as most critical, the notion is supported by Kgomo and Swarts (2010), who advise management to consider the compensation packages of the call centre agents and focus in detail on how the call centre agents feel regarding their compensation and benefits. Capelli (2000) lists remuneration as the initial way that a company gains its employees' loyalty. Firth, Mellor, Moore and Loquet (2004) found salary to be positively related to organisational commitment and negatively related to turnover.

Research indicates that employment conditions in South African contact centres appear to be somewhat less favourable, as a large proportion of contact centre employees are hired through temporary recruitment agencies (Benner, 2006). However, according to Kgomo and Swarts (2010), careful consideration should be given to the staffing structures of call centres. Call centre agents prefer to be appointed into permanent positions rather than employed as temporary staff as a temporary appointment does not provide job security, thereby exacerbating turnover. According to De Cuyper and De Witte (2005), perceptions of the organisation's adherence to, amongst others, employment security are positively related to commitment. In addition, De Cuyper and De Witte (2005), suggest that psychological commitment is higher among employees who believe they are being developed and invested in over the long term rather than being regarded as temporary commodities to buy and sell. Investing in employees can send a message that the organisation values them.

According Lockwood (2006), employees value feedback from their co-workers and supervisors. Providing sufficient performance feedback to employees helps to bolster positive attitudes toward the organisation and helps prevent early intentions to leave the organisation. In addition, Nedd (2006) suggests that differential management of good and poor performers increases a positive attitude. Mendes and Stander (2011) indicate that recognition from one's supervisor has been found to be related to affective commitment but not to continuance commitment. The reason for this might be that employees explore new solutions and in turn, receive feedback and recognition from supervisors, which increases their feelings of self-worth, but not their obligation to stay with the company. In addition, according to Wellins, Bernthal and Phelps (2007), employees who receive regular recognition and praise are more likely to raise their individual productivity levels, increase engagement with their colleagues and remain with the organisation for longer.

Kgomo and Swarts (2010) maintain that one of the most effective tools for retention in any industry, is empowerment. If employees feel empowered in their jobs and truly valued by the company they work for, they are far more likely to stay. A call centre position may not always be the most exciting job, but employers should always remember that it is not just the role that makes an employee feel valued. The actions of the employer and the prevailing workplace culture are equally important. This is supported by research conducted by Evenson, Harker and Frei (1998) who found that organisations that have fewer empowered employees have higher turnover.

This empowerment methodology is also highly supported by the holistic positive approach. If an organisation wishes to benefit in terms of building a positive organisation, and consequently retention, it should adopt empowerment behaviour in its management style (Mendes & Stander, 2011). According to Nedd (2006), a leader has the strongest impact on an employee's intention to stay. Therefore the importance of leader behaviour in talent retention is vital. According to Greco, Laschinger and Wong (2006), employees will feel empowered if a leader enhances the meaningfulness of work, allows participation in decision-making, facilitates the accomplishment of tasks, communicates confidence in high performance and provides autonomy.

Adopting such a holistic and proactive approach requires the organisation to include or take cognisance of both the individual and organisational needs. Individual needs will consider the differences amongst the call centre agents based on their gender and age. Kotzé and Roodt (2005) found that retention could be enhanced with strategies or interventions which are targeted at the indicated age categories. Tulgan (2004) concludes that Generation Y employees are young and technology savvy, informed, ambitious and determined to succeed. In addition, they have high expectations, but more specifically they have high expectations for themselves. Flexibility, work-life balance, mobility, career developmental opportunities and giving back to society are themes pertinent to Generation Y's workplace needs (Schullery, 2013). Twenge *et al*. (2010) argue that a one-size-fits-all approach to attracting and retaining, will not work for Generation Y. At the same time, Generation X employees have a need to play meaningful roles in meaningful work (Twenge *et al*., 2010). They are shaping a new ethic of teamwork, while offering loyalty, and expecting it in return. However, they too want to achieve work-life balance.

In conclusion, research has found that organisations tend to focus on factors that researchers believe cause turnover rather than those that promote retention. From the preceding discussion, it can safely be concluded that organisations need a positive, holistic strategic approach that differs from the traditional and reactive approach.

5.7 LIMITATIONS OF STUDY

Although this respective study has made a contribution to the body of knowledge concerning employee retention, it is not without limitations. The first limitation concerns the sampling method that was used. A non-probability sampling method in the form of convenience sampling can cause certain groups of the population group to be under-represented. Selection bias has consequently been introduced, which reduces the extent to which the results of the study may be generalised to the entire population to which the research hypotheses apply.

Self-report measures could potentially result in impression management, social desirability and random responding (du Plooy & Roodt, 2013). Another limitation relates to the sample size of the population group under study. While it is considered large enough to be a representative sample, a larger sample would have increased the generalizability of the research findings. Consequently, the generalizability to the entire population group is limited.

In addition to both the above shortcomings, which threaten the external validity of the study, the ecological validity of the study is relatively low since the study was conducted only in one financial services organisation. Consequently, the research findings cannot be generalized to other similar organisations, or to organisations outside of the Western Cape.

5.8 RECOMMENDATIONS FOR FUTURE RESEARCH

On the basis of the present study, a number of suggestions may also be made with regards to future research that may prove fruitful. In order to counter the above-mentioned problems, it is recommended that future studies increase internal validity by utilising research designs that allow for the control of possible confounding variables, which could play an important role in employee retention.

Du Plooy and Roodt (2013) suggest that the contributing effects of biographical characteristics and demographic factors be further investigated due to the relative paucity available on the effect of these variables in predicting turnover intentions.

It is further recommended that external validity be enhanced by the selection of a larger sample as well as through the utilisation of a probability sampling design. By drawing a random sample of participants from the population, selection bias will be reduced. Subsequently, the sample will be more representative of the population under investigation, allowing for greater generalizability of the research findings. It is further suggested that future studies raise ecological validity by focusing on the selection of samples that are representative across regional offices of the organisation in South Africa, or call centre of other financial institutions. Following such an approach will increase the scope of the applicability of the research findings by allowing for greater generalizability.

Utilising a triangulation approach could also prove beneficial, in that the researcher could gain greater understanding of the construct under investigation using qualitative information gathered from interviews and/or focus groups, in addition to the survey method usually employed.

Call-centres may need to redesign the work of call centre agents according to sound principles of job design and job enrichment to create meaningful tasks with various levels of skill variety built into the work (Visser & Rothmann, 2012).

5.9 SUMMARY OF CHAPTER

Chapter 5 concludes the research study by discussing the salient results obtained in the study in relation to other relevant research in support of the current study. Conclusions were drawn based on the results obtained and limitations identified. Furthermore, this chapter outlines recommendations that may be useful for future research.

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APPENDIX 1: Cover Letter sent to Team Leaders

27 May 2012

Good day,

REQUEST TO COMPLETE A RESEARCH QUESTIONNAIRE

I am a post-graduate student at the University of the Western Cape (Industrial Psychology Department) conducting research for my mini-thesis regarding the *Retention Factors of Call Centre Agents.* More specifically, the aim of the study is:

a) To identify the factors that influences a call centre agent to stay in the call centre industry.
b) To determine if there are differences between call centre agents based on their age and gender.

Your responses will be treated with the utmost of confidentiality; therefore you are not required to write your name on the questionnaire. In addition, I assure you that the information provided is for research purposes only. A summary of the results can be provided to you upon request after the data has been analysed. My contact details: 083 517 0679 (mobile); nina.brns@gmail.com (e-mail).

I sincerely thank you for your participation and appreciate your assistance in my research endeavour.

Sincerely,
Nina Barnes

APPENDIX 2:

STAFF RETENTION QUESTIONNAIRE

Please note that:
1. You are **not required to write your name** down anywhere on the questionnaire.
2. All the responses will be treated with the utmost care and **TOTAL CONFIDENTIALITY.**

Section A: Biographical Information
This section contains certain personal information that will be used for statistical analyses only. Please mark a cross (x) in the appropriate blocks and specify where applicable.

1. **Gender**

	Female
	Male

2. **Age : Were you born**

	Between 1945 and 1964
	Between 1965 and 1980
	After 1980

Section B: WORK VARIABLES

It is noted that people differ from one another in what they need and expect to get from different areas of their lives including the workplace. Please think about the work you do and the organisation you work for.

Part 1:
Consider **<u>what YOU view as important to be attracted to or stay with an organisation.</u>**
Using the scale below, please mark a **cross (x) in the appropriate blocks** on the scale:
1 - crucial (this is a 'make or break' characteristic for me in the job),
2 - fairly important (this is a significant plus or minus factor but not make or break),
3 - neutral (this would be nice to have, but it would not matter if it was not there), and
4 - irrelevant (this would not attract me or make me stay with a company).

Part 2:
You are also required to **<u>indicate whether or not you perceive the particular variable to be in place within the organization (you are currently working for)</u>**.

YES	=	**Y**	**(this variable is in place)**
NOT SURE	=	**NS**	**(not sure if this variable in place)**
NO	=	**N**	**(this variable not in place)**

Variable	Crucial	Fairly important	Neutral	Irrelevant	Variable in place in the organisation (Y, NS or N)
DEVELOPMENT and WORK ENVIRONMENT					
Manager integrity and quality	1	2	3	4	
Role clarity	1	2	3	4	
Challenging and meaningful work	1	2	3	4	
Autonomy/independence	1	2	3	4	
Empowerment and responsibility	1	2	3	4	
Productive and friendly work relationships	1	2	3	4	
Excellent co-worker quality	1	2	3	4	
Internal mobility	1	2	3	4	
Exposure to new opportunities and challenges	1	2	3	4	
Recognition	1	2	3	4	
Personal fit with company culture	1	2	3	4	
Cutting-edge work	1	2	3	4	
Advancement opportunities	1	2	3	4	
Development or learning opportunities	1	2	3	4	
Personal buy in to business strategy	1	2	3	4	
Team work	1	2	3	4	
Pleasant daily work experiences	1	2	3	4	
Mentoring/coaching programmes	1	2	3	4	
Availability of team building exercises	1	2	3	4	
Status	1	2	3	4	
Performance evaluation and feedback	1	2	3	4	
360 degree feedback	1	2	3	4	
COMPENSATION AND BENEFITS					
Guaranteed base pay	1	2	3	4	
Variable pay	1	2	3	4	
Share awards	1	2	3	4	
Health benefits	1	2	3	4	
Retirement benefits	1	2	3	4	
Short term incentives	1	2	3	4	
External equity	1	2	3	4	
Internal equity	1	2	3	4	

Variable	Crucial	Fairly important	Neutral	Irrelevant	Variable in place in the organisation (Yes, No or Not sure)
COMPANY ENVIRONMENT					
Competitive technology level	1	2	3	4	
Company reputation	1	2	3	4	
Senior team reputation	1	2	3	4	
Fairness	1	2	3	4	
Employment equity	1	2	3	4	
Organisational change readiness	1	2	3	4	
Organisational size and stability	1	2	3	4	
Job security	1	2	3	4	
Cultural diversity	1	2	3	4	
Networking opportunities	1	2	3	4	
Open communication	1	2	3	4	
Formal information	1	2	3	4	
Organisational support and commitment	1	2	3	4	
WORK-LIFE BALANCE					
Child care facilities	1	2	3	4	
Extra vacation	1	2	3	4	
Flexible working hours	1	2	3	4	
Option to work from home	1	2	3	4	
Geographic location of work	1	2	3	4	
Business travel and global exposure	1	2	3	4	

THANKING YOU KINDLY FOR YOUR PARTICIPATION!

Please review to ensure that you have not missed any questions