

**CAUSES OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF
THE EASTERN CAPE**

BY

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SUBMITTED IN FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE

OF

D.PHIL. (DEVELOPMENT STUDIES)

IN THE

DEPARTMENT OF DEVELOPMENTAL STUDIES

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

AT THE

NELSON MANDELA METROPOLITAN UNIVERSITY

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April 2016

DECLARATION

This study is dedicated to my late father, Ndoyisile Ntyinkala, and my mother, Vathiwe Ntyinkala. You are my heroes; whenever I go, I lift up your names. I am your product; my product is your product.

I, Eric Phathisile Khelekethe, hereby declare that the dissertation submitted for the Degree D.Phil.: Development Studies in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University is my own original work and has not previous been submitted to any institution of Higher Education. All the sources that were used for this study are cited and referred to in the bibliography.

A handwritten signature in black ink, consisting of stylized initials and a surname, enclosed within a hand-drawn oval. The signature is positioned above a horizontal line.

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ABSTRACT

This research focused on the impact of staff turnover in selected departments of the Province of the Eastern Cape Province. High staff turnover rate may jeopardise efforts to attain organisational objectives. In addition, when an organisation loses a critical employee, there is a negative impact, on innovation; consistency in providing service to guests may be jeopardised, and major delays in the delivery of services to customers may occur.

The research design used in this study contained elements of both the quantitative and qualitative approaches, which allowed the researcher to use structured questionnaires in data collection, on which space was provided for comments. This study was influenced and shaped by the concerns raised by a number of General Managers in the course of various provincial meetings.

The main purpose of this research was to identify retention strategies that could be used by selected departments to reduce the turnover of their talented staff. The research also investigated methods to retain knowledge within departments that could possibly be lost due to a high turnover rate among talented staff.

The first step used to resolve the issues discussed above was to conduct a full literature study. The literature study sought to reveal what characteristics were required in the departments that ensured that staff would be happy in those departments and remain there for a long time. The literature study also covered what knowledge management methods could be used in managing valuable knowledge.

Secondly, the views of current staff and management of the selected departments on staff and knowledge management strategies were solicited in an empirical study, which involved the completion of structured questionnaires.

It is the researcher's aim that this study will, firstly, contribute to the existing body of knowledge of staff turnover and that the Provincial Departments will take into cognisance the problems that lead to employee turnover. Secondly, that it will contribute to an improvement in employee working conditions in various Provincial Government departments.

ACKNOWLEDGEMENTS

- I wish to thank my supervisors Professor I.W. Ferreira and Professor R. Haines of the Nelson Mandela Metropolitan University for believing in me and providing me with their professional support and guidance.
- Prof I W Ferreira my promoter, for his professional, constructive guidance and encouragement during the course of my research efforts.
- I acknowledge, with gratitude, the many suggestions, and helpful criticism on the first copy of my proposal by my supervisor.
- Dr. Jacques Pietersen, from the Department of Mathematical Science at the Nelson Mandela Metropolitan University, for his guidance on procedure for analyzing statistical data.
- I would like to acknowledge all the employees of the Office of the Premier (Eastern Cape Province), the Department of Roads and Public Works, the Department of Health, the Department of Education and the Department of Local Government and Traditional Affairs who contributed towards the successful completion of this research.
- My special thanks go to Ms Zola Bob for assisting me in any library needs at the Nelson Mandela Metropolitan University.
- I also acknowledge Ms Marthie Nel, Ms Martie Gummow and Ms Redène Steenberg as the language editors who have done a profound job in editing of my thesis.
- I further acknowledge with thanks Ms. Nozuko Mafu including Ms Nontombi Khumalo from the Office of the Premier (OTP) for providing me with secretarial and compiling support, Ms Anelisa Mafu for assisting in the distribution and collection of the questionnaires from all Departments and Ms Ngabakazi Mgadle for the designing and analysing of graphs.
- Last, but not least, to my children, Andile, Luyanda, Luyolo and Siyolo. I know there were disruptions in your lives when I had to leave you for my studies. I love and adore you, my boys. I know that I am your role model.

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CHAPTER ONE

PROBLEM STATEMENT AND DEFINITION OF CONCEPTs

1.1 INTRODUCTION

The objective of the Department of Health, Education, Roads and Public Works, Local Government and traditional Affairs and the Office of the Premier in the Eastern Cape Province is to provide efficient services to the community at large. If these services are not up to standard, the community members will complain. These Departments in the Eastern Cape Province are experiences a major problem of staff turnover which impacts on organisational effectiveness and on the performance of employees. According to Mathis and Jackson (2007:111) staff turnover include employees who retire and employees who are laid off, who quit or who are discharged. It also includes those who either are boarded off or die (Mathis and Jackson, 2007:111).

In response to concerns about the high levels of staff turnover in the ranks of staff general and Senior Management in the Eastern Cape Provincial Administration, Office of the Premier decided to develop an attraction and retention strategy for the Eastern Cape Provincial Administration. The aim of the strategy is to facilitate the Government's ability to attract and retain the key talent necessary to meet the Province's delivery goals. (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:1).

The Eastern Cape Provincial Administration operates in a complex environment. A number of internal and external factors influence the Province's ability to attract and retain senior management and other staff. Some departments within the Eastern Cape Provincial Administration are influenced by individual goals, mandates, resources, but individual goals and career aspirations play an important role as well, in addition, they are impacted on the central government's social, economic and fiscal directions. (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and the Recruitment and Selection Policy, 2006:4).

Together, these factors form a frame for viewing issues affecting the ability of the Eastern Cape Provincial Administration to attract and retain staff. Addressing attraction and retention requires a long-term perspective, collaboration among many

stakeholders and serious commitment and accountability. Attraction and retention objectives, strategies and actions should be viewed within this context. (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and the Recruitment and Selection Policy, 2006:4).

This chapter provides an overview focusing on the problem statement, sub-problems, key questions pertaining to the study, the significance of the study, the objectives of the study, clarification of key terms and concepts, research design and what methodology will be applied, a literature review, the scope of the study, population, sample selection, stakeholders, data collection, data analysis, ethical considerations, and a summary.

1.2 PROBLEM STATEMENT

There has been an outcry in the Eastern Cape Provincial Administration concerning the shortage of scarce skills in service departments. This is usually termed a lack of human resources capacity. Skilled personnel are often attracted to other provinces, such as Western Cape and Gauteng, who offer higher remuneration and better living conditions. This study seeks to investigate the staff turnover and the impact on service delivery at the Office of the Premier, Health, Education, Local Government and Traditional Affairs and Roads and Public Works especial with regard to service delivery to the communities under these provincial departments.

These Departments in the Eastern Cape are faced with a high rate of staff turnover each year and this leads to poor employee performance which in turn impacts on organisational effectiveness. When an employee leaves the organisation the present employees have to fill the gap until a new employee is appointed. Staff turnover impacts on employee performance because they get disrupted on their daily work performance. These Departments spend a lot of money on the recruitment and training of new staff members each year due to high turnover rates (Dlamini-Zuma, 2009:01). There are numerous complaints from the community regarding the performance of employees at these Departments (Dlamini-Zuma, 2009:01).

The Government Data Collection System reveals an average vacancy rate of 28% across all Eastern Cape Provincial Administration (ECPA) departments (2008). Staff

turnover is high, and the ECPA departments are struggling to retain and attract employees (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and The Recruitment and Selection Policy, 2006:1). The Eastern Cape Provincial Administration is also struggling to attract and retain young talent who possess the required professional scarce skills. Another challenge is the frequent movement of qualified and experienced senior management, both to the private sector and other provinces. These departments do not have any knowledge management policies in place to preserve its intellectual capital. Therefore, some of this intellectual capital is lost when critical employees resign or retire from the service (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and The Recruitment and Selection Policy, 2006:1).

This study proposed to investigate the following main problem.

How can the Office of the Premier and the Departments of Health, Education, Local Government and Traditional Affairs and Roads and Public Works in the Eastern Cape Province retain talented employees and intellectual capital?

1.3 SUB-PROBLEMS

The following sub-problems emanated from the main problem statement above.

- *What does literature reveal regarding the retention of employees and knowledge management?*

The literature reveals that paying the highest salaries may by itself not be enough to retain talented employees; issues such as working conditions may not be ignored. It may not be possible for organisations to retain all their talented employees. Therefore, organisations should consider other strategies, such as the introduction of knowledge management, as supplementary strategies for staff retention. Knowledge management will allow organisations to fast track the process of learning within the organisation.

Knowledge management seeks to minimise the loss of institutional knowledge. Where staff members do leave due to circumstances beyond management's control, their

knowledge of the organisation will at least not leave with them. A discontinuity in the Eastern Cape Provincial Administration System compromises service delivery.

- What are the perceptions of staff and management regarding factors that make employees leave or stay in departments?

Although salary will always remain a deciding factor, employee satisfaction and recognition for work performance are also valued. Employees are not provided with sufficient delegations at all levels to optimally manage staff and work and to feel empowered through all stages of the career progression. No proper career pathing and opportunities for development exist. Training is not conducted in line with the employee's development areas. Work and home commitments are not always aligned and longer working hours are affecting officials in a variety of ways.

In their study structured questionnaires were used to investigate the perceptions of staff about retention strategies and information sharing. When employees resign, the remaining employees are left with an increased workload, which causes more stress, which leads to an increased sick leave rate.

Whatever information departments obtain from exit interviews with employees, who have resigned, is generally not reflected in the Retention Strategies of these departments. Departments have merely adopted the Provincial Attraction and Retention Strategy, which provides generic solutions to retention, and does not reflect on specific reasons why people leave. One gets the impression (not verified) that a sizeable number of people leave because of promotion to other departments. Some professionals may leave to join the private sector for better opportunities, but it seems that administrative staff members generally stay in the Public Service. Due to the high level of contractual appointments, the expiry of contracts is often the reason for exit. Very little, if any, information is available on why people stay in government. Stay interviews are not conducted. Often one encounters people who are not happy at work, but simply stay because of a lack of alternatives. The reality is that there are not many alternative employers in the Province who can match or beat the conditions of service in the Public Service.

- What is the impact of service recognition in the workplace?

Service provision plays a huge role in employee satisfaction in the work environment. As stated above, if an individual or groups are recognised for work and performance fairly, then they will generally be more satisfied in their jobs and salary will not always be the deciding factor in their staying or leaving the employer institution. Employee satisfaction will lead to better productivity, flexibility and innovation from employees. There will be no disgruntled employees who create obstacles rather than perform according to what is expected of them. Current service recognition is not implemented fairly and transparently, because of various influences, and this affects the employee's performance. Employees often resort to applying for transfers to sister government departments to escape from their unfavourable work environment. Employees should enjoy positive job satisfaction, arising from intrinsic conditions of the actual job, such as recognition, achievement, or personal growth.

If one considers the relatively limited remuneration that employees receive for 20, 30 or 40 years' service, this form of recognition is probably not the main reason why people stay that long. Another form of recognition is performance incentives. However, since the application of this form of recognition often rewards mediocrity, it is doubtful whether it has any meaningful impact on retention. The delay in rewarding staff through the PMDS is also not likely to have a meaningful effect on attraction or retention.

- What are the consequences of poor working conditions in service delivery in these departments?

If working conditions are not satisfactory, employees will not be motivated and will therefore not perform optimally. If an employee does not have all the sufficient tools for his trade, he will not feel valued as a government official; this could influence him to deliver poor or less than satisfactory services. These employees will constantly complain and look for better opportunities elsewhere rather than trying to improve and deliver with the little that is available. Poor planning and spending on budgets allocated for improving working conditions will then become more visible, and employees will feel disgruntled about what money is spent on actually. The ultimate result of this is a high turnover rate and the resultant is high costs incurred in respect of the continual recruitment and training of new employees.

Employees, especially medical personnel, often leave the Public Service to work under better conditions in the private sector. The resultant higher turnover and vacancy rates in the Public Sector compromise and lead to negative consequences for service delivery.

- What strategies can these departments implement to reduce the rate of staff turnover and retain intellectual capital?

There is no proper delegation of authority at all levels in the organisation. Organisation need to give recognition to employees and groups who perform as expected or above expectations. Key is the proper spending of budget allocations, aligned with sound planning. Of great concern is the lack of sufficient training, mentoring and coaching. Improved human resources management (HRM) support to officials is needed to ensure that officials do not have to be concerned about their own information or administrative matters, but trust the HRM function to deal with their matters efficiently and effectively. The active implementation of all policies and procedures regarding, for example, incapacity leave and ill-health retirement and employee wellness will ensure that employees feel valued. Safe and secure working environments must be created, so that employees can perform their work optimally. There must be better communication from top and senior management to reach out to employees at all levels to make them feel part of the team valued and recognised by management. In mitigation, the Provincial Attraction and Retention Strategy Framework and the Recruitment and Selection Policy of 2006 must be vigorously implemented, or appraisal interviews must be conducted with employees to look at their performance and give them the incentives and adequate feedback and training to improve their work performance.

1.4 KEY QUESTIONS PERTAINING TO STUDY

This study sought to answer the following questions:

1.4.1 Why does the problem exist?

- (a) What is the cause of the high vacancy rate in the selected departments of the Province of the Eastern Cape?
- (b) Why the vacancies are not appropriately filled in time?

1.4.2 What is the extent of the problem?

- (a) For how long has the problem existed?
- (b) How does it affect service delivery?

1.4.3 How effective is communication within government organisations?

- (a) Do employees receive sufficient information from their managers to execute their duties?
- (b) Do managers share pertinent information regarding the performance of Provincial Government?

1.4.4 How do government employees rate job satisfaction and motivational levels in the workplace?

- (a) Does the work provided, give employees a sense of personal accomplishment?
- (b) Do employees enjoy their work?
- (c) Does their work utilise their skills?

1.5 SIGNIFICANCE OF STUDY

The manner in which the Eastern Cape Provincial Administration consistently spends vast sums of money in recruitment drives, particularly to fill senior management positions, prompted interest in undertaking this study. The Province recruits high-calibre employees from other provinces and national government departments into higher positions, only for them to quickly return to their provinces of origin, frequently citing unfavourable conditions as one of the reasons for their departure from provincial government departments (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and the Recruitment and Selection Policy, 2006:8).

Financial incentives and competitive remuneration remain high on the list of retention strategies. However, people also want to be associated with successful organisations that value and practise the following:

- Strong leadership
- Effective communication

- Mutual trust and respect
- Ongoing professional development
- Challenging and innovative work

The Eastern Cape Provincial Administration operates in a complex environment, with a number of internal and external factors influencing the Province's ability to attract and retain staff, especially to senior management positions. These factors are of political, social and economic origin. The prevailing negative perceptions of the Eastern Cape Province around South Africa exacerbate these challenges. Combined, these issues form the baseline for exploring the struggle of the Eastern Cape Provincial Administration to attract and retain the desired staff. (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and the Recruitment and Selection Policy, 2006:4).

The cost of filling a single vacancy includes R18 000 to R25 000 for advertising alone, excluding other recruitment related costs. The exorbitant advertising fees are paid from taxpayers' money; hence the development of a recruitment and retention model for the Eastern Cape Provincial Administration sounds vital. This study proposed to investigate and devise ways of effectively recruiting and retaining quality staff for the Eastern Cape Provincial Administration in order to reduce the cost associated with the current high vacancy and staff turnover rates. (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and the Recruitment and Selection Policy, 2006:6).

1.6 AIM OF STUDY

The main aim of this study was to investigate the impact of staff turnover on organisational effectiveness and employee performance in the Departments of Health, Education, Roads and Public Works, Local Government and Traditional Affairs and the Office of the Premier of the Eastern Cape.

The aim was also to conduct literature and empirical surveys, followed by statistical analysis, to ascertain the extent of the gap between theory and practice and then to make recommendations to narrow such a gap. In Chapter Five of this study, the

outcome of the empirical survey conducted in five departments of the Provincial Government of the Eastern Cape Province will be presented.

1.7 OBJECTIVES OF STUDY

In order to meet the above aim, this study needed to addresses the following objectives:

- To examine existing literature on strategies for employee retention.
- To determine whether there are existing tools for reducing staff turnover and boosting the morale of government officials.
- To examine the current staff turnover situation in selected government departments.
- To establish whether strategies are currently in place to manage staff turnover within government.
- To compare current strategies being used in government departments to reduce staff turnover with those identified during the literature review.
- To develop a Staff Attraction Retention Model that achieves the following:
 - Provides guidelines for implementing staff attraction and retention strategies, based on factors that influence staff attraction and retention.
 - Facilitates the development of tailored recruitment and retention models within government departments.
 - Identifies ways of attracting the required skills and promoting upward mobility through Recognition of Prior Learning (RPL).
 - Determines the optimal method of utilising internships to place unemployed graduates in mainstream employment.
- To identify practical measures for effective human capital and talent management.
- To devise strategies to improve the ability of government departments to attract and retain needed skills in order to meet the delivery goals of the Province.
- To guide management in the execution of recruitment and selection processes to ensure effectiveness, efficiency, consistency and fairness.
- To contextualise staff recruitment and retention in the ECPA.
- To create a better understanding of staff recruitment and retention.

- To provide recommendations to the ECPA authorities for the effective implementation of staff recruitment and retention strategies.

1.8 CLARIFICATION OF KEY TERMS AND CONCEPTS (ACRONYMS)

AIDA	–	Attraction Interest Desire Action
DS	–	Development Studies
ECPA	–	Eastern Cape Provincial Administration
EXCO	–	Executive Committee
HR	–	Human Resources
M&E	–	Monitoring & Evaluation
NMMU	–	Nelson Mandela Metropolitan University
OTP	–	Office of the Premier
PA	–	Provincial Administration
PECS	–	Port Elizabeth Corporate Services
PSC	–	Public Service Commission
RPL	–	Recognition of Prior Learning

1.9 RESEARCH METHODOLOGY (QUANTITATIVE AND QUALITATIVE METHODS)

The purpose of using this approach was to evaluate objective data consisting of numbers, with the aim of achieving high levels of reliability in terms of data analysis. In line with the quantitative approach decided upon, a structured questionnaire was also administered to all the target respondents. This facilitated the analysis and interpretation of the research results. Terreblanche, Durkheim and Painter (2006:132) point out that social scientists have favoured quantitative over qualitative data, because researchers prefer to measure factors such as rates of malnutrition, life

expectancy and depression, rather than ask people for their opinions or experience regarding these matters. Quantitative data enables researchers to present their findings in quantifiable terms (Terreblanche, Durkheim & Painter, 2006:132).

The research methodology adopted, involved consulting relevant documents, such as books, journals, government legislation, sub-ordinance legislation of the provincial government, monthly and annual reports, government regulations, consolidated instructions from the Executive Committee of the Provincial Government (EXCO), procedure manuals, minutes of EXCO meetings, *ad hoc* policy decisions by management, decided cases, and Auditor-General queries and reports.

The researcher conducted the study using designed and structured questionnaires, completed by Human Resources (HR) managers and practitioners in selected government departments in the Province, namely the Department of Education, the Department of Health, the Office of the Premier, the Department of Local Government and Traditional Affairs, and the Department of Roads and Public Works (attached, please find blank copy of questionnaire and covering letter for ease of reference).

The study aimed to investigate a range of variables, in order to assess retention strategies implemented in the selected departments under study to reduce staff turnover, including the following:

- Staff empowerment
- Cooperation and teamwork
- Trust
- Organisational commitment, turnover and retention
- Attraction
- Job satisfaction
- Recognition and rewards
- Growth and development opportunities, leading to promotion
- Communication
- Workload
- Remuneration
- Situational factors

- Leadership

According to Grey, Williamson, Karp and Dolphin (2007:42), quantitative data comprise numbers used to describe what exists. A major benefit of this type of data is that it can be fed into a computer for counting, storage and manipulation. Grey *et al.* (2007:420) further indicate that quantitative data interpretation relies on words, especially nouns and adjectives, to convey what exists. The main advantage is that these words can capture subtleties of meaning and interpretation that numbers cannot convey. In addition, the use of numbers in quantitative research makes it more likely that studies can be replicated and also makes research results more reliable. This is because it is easier to report on data collection procedures that generate numbers that accurately create the conversions and observations that typically form the basis of quantitative research (Grey *et al.*, 2007:42).

Murray (2003:2) describes quantitative research as based on numerical measurements of specific aspects of phenomena. Quantitative research seeks explanations and predictions that may be generalised to other persons and places. A critical role of the researcher in quantitative research is to objectively observe and measure. The most obvious feature of the quantitative approach to research is statistical summaries. Baddeley and Barrowclough (2009:13) argue that quantitative data captures elements that are measurable, using an objective, cardinal scale. Cardinal measurement involves calculating quantities and requires clear units of measurement. For example, to measure unemployment, unemployed people would be counted, and when measuring the Gross Domestic Product, the number of currency units produced would be counted (Murray, 2003:2; Baddeley & Barrowclough, 2009:13).

Burke and Christensen (2008:33) describe quantitative research as research that relies primarily on the collection of quantitative data. Since quantitative research focuses on hypothesis testing and theory testing, it is imperative to state one's hypotheses and then test their validity with empirical data. In other words, quantitative research primarily follows an exploratory scientific method. Johnson and *Christensen* (2008:34-35) *define the quantitative research method as the systematic scientific investigation and evaluation of evidence, which enables one to employ mathematical models and theories pertaining to natural phenomena.* Unlike

qualitative methods, quantitative approaches permit general and objective conclusions, rather than subjective conclusions (Burke and Christensen, 2008:33; Johnson and *Christensen*, 2008:34-35).

Based on the above arguments, a quantitative research method was selected for this study. A small qualitative section was added at the end of the questionnaire to enable the respondents to respond qualitatively.

1.10 LITERATURE REVIEW

Staff attraction and retention focuses on attracting suitably qualified professionals whose skills are in demand. This is accomplished by adopting focused recruitment strategies and retaining existing staff, especially those with key skills (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7)). Staff attraction and retention involves motivating staff by appealing to both psychological and social aspects, such as the following:

- Perceptions.
- Goals.
- Behaviours.

Operational aspects relate to the tasks for which staff members were appointed.

Staff attraction and retention need to be incorporated into daily talent management processes. This requires management to consider all factors involved in human capital management, such as the following:

- Competitive remuneration.
- Financial and non-financial benefits.
- Development and career opportunities.
- Performance recognition.
- Cultural diversity.
- Work-life balance (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7).

Key employee retention and attraction strategies are critical to the long-term welfare and success of any organisation. The ability to retain and attract the best employees ensures customer satisfaction; the retention of organisational knowledge; and effective succession planning. The attraction and retention of employees, especially key employees, is one of the major challenges facing the Eastern Cape Provincial Administration. Traditional approaches to the attraction and retention of employees are no longer effective. This can be partly attributed to generational change. The Eastern Cape Provincial Administration needs to adopt a more multi-dimensional approach to staff attraction and retention; an approach that integrates various factors to secure the most attractive combination of potential and current employees. The focus should be on retaining staff for as long as possible, subject to both parties being content with the arrangement.

The performance expectations that form part of a retention strategy should motivate staff to honour their work commitment and improve productivity. Performance management is geared at optimising employees' capacity to meet the expectations of their employer. Performance management is also concerned with employees' personal goals and career aspirations. Performance expectations should be identified annually for all staff, according to local area goals and objectives (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7-8).

The creation of a workforce plan can assist in monitoring the development of staff attraction and retention strategies. These strategies may involve recruitment, induction, performance management, professional development and succession planning (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7). A gap analysis could identify the extent to which employees contribute to the core business of their organisation. Organisations need to identify existing staff capabilities and ascertain whether these need to be further developed in order to realise institutional strategies and objectives. Staff capabilities can be developed by either creating career management plans through the organisation's performance management processes or by implementing succession plans. The researcher recommends that an organisation's performance be improved by considering broader management issues,

such as the effective use of technology, appropriate staffing structures, and better management techniques (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7).

According to Parcher (1992:21), institutions need to consider the role of traditional recruitment in contrast to the model of organisational entry. The model of organisational entry should assist institutions in assessing the effectiveness of a recruitment policy. This is best achieved by examining the level of employee job satisfaction, organisational commitment, and the voluntary staff turnover rate. The effectiveness of the selection methods may be evaluated by examining the work performance and voluntary turnover of new employees (Parcher, 1992:21).

Parcher (1992:22) affirms that conflict mostly occurs because individuals are not given accurate information about an organisation so that they can make wise choices. Conflict also occurs when individuals do not disclose their shortcomings, opting to describe their desired employment in terms of what they think the organisation has to offer, instead of what they really prefer. Individuals tend to do this in order to generate as many employment offers as possible, in an attempt to secure the most desirable job (Parcher, 1992:22).

Interviews are often not the only or best tool for selecting the best candidate from a pool of applicants; other measures, such as competency tests, must also be considered. In order to select the best person for the job, Stone and Kendall (1956:204) argue that the interview panel members must objectively match applicants with suitable positions. Harold and Kendall (1956:204-205) also maintain that, irrespective of whether or not an applicant is successful, the interview should serve to create a positive sentiment towards the organisation and its management. The employment interview should also be an occasion for providing job and organisation specific information so that the successful applicant can accept or reject the offered employment based on facts. The employment interview should provide the interviewer with additional information about an applicant that may not be evident from other sources, such as the applicant's *curriculum vitae*. Such information is to assist with employment and placement decisions regarding candidates. Furthermore, Harold and Kendall (1956:206) recommend that the interview panel be composed of specialists from various fields within the organisation in order to ascertain whether the candidate

has the required competence for the job (Harold & Kendall, 1956:204-206; Stone & Kendall, 1956:204).

Wood and Payne (1998:2) define recruitment and selection as tools that are used interchangeably, but draw a distinction between the two. They assert that recruitment is a broad term used to communicate the notion of getting someone into the organisation and that it covers everything, from advertising to induction. Selection, on the other hand, begins at the point where a decision has to be made about whom to recruit. Hence, selection is concerned more with the instruments and methods used to assess the best candidate, which tend to be based on the particular requirements of a job. For example, if a job requires computer skills, then the setting of relevant tests will have to be considered (Wood & Payne, 1998:2).

Gatewood and Field (1998:1) argue that selection is a process of collecting and evaluating information about an individual in order to extend an offer of employment. Such employment could be either a first position for a new employee, or a different position for an existing employee. The selection process is usually performed under legal and environmental constraints and addresses the future interests of the organisation. The objective of selection is to identify, from a pool of applicants, those that have the appropriate knowledge, skills, qualifications and abilities to perform well on the job. Gatewood and Field (1998:2) further state that good selection systems are vital for employee performance and overall organisational performance. Selection should be directly linked to the strategic plan of the organisation. The strategic plan specifies the future objectives of the organisation and its chosen tactics for reaching those objectives. Strategic planning is based on an assessment of the organisation, its competitors, and its external environment (Gatewood & Field, 1998:1-2).

The Public Service Regulations (2001:14D) state that all organisations should have human resources plans that specify those activities that they must undertake to develop their human resources and improve their overall performance. Selection is one of those activities. A human resources plan is a link between an organisation's strategy and its selection processes. An organisation's strategic plan influences its human resources plan which, in turn, influences the content and procedures of its selection programme. Selection is a major factor in determining the abilities of employees (Public Service Regulations, 2001:14D).

According to Carrell, Elbert, Hatfield, Gobbler, Marx and Van Der Schyff (1998:11), the human resources functions within any specific organisation are unique to that organisation. Compensation and benefits issues are common human resources functions, which include the following:

- Insurance administration.
- Wage and salary administration.
- Unemployment compensation.
- Pension plans.
- Leave processing.
- Flexible benefits accounts (Carrell *et al.*, 1998:11).

Carrell *et al.* (1998:12) further mention that human resources departments tend to jointly engage in activities with other departments in their organisations. Such joint activities include the following:

- Interviewing.
- Productivity and motivation programmes.
- Training and development.
- Career planning.
- Disciplinary procedures.
- Performance appraisals.

Human resources departments are encouraged to work together with other departments within their organisations to ensure efficient and effective employee performance (Carrell *et al.*, 1998:12).

In an effort to meet the human resources requirements of government, the Department of Public Services and Administration (DPSA) has introduced an open employment system as its new management framework (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:6). This system requires that all vacancies within the Public Service be advertised publicly prior to filling those vacancies. The open employment system emphasises the need for departments to apply efficient recruitment, selection and retention practices to meet their human resources requirements. However, this system

does not address all human resources challenges facing the Public Service (including the Eastern Cape Provincial Administration), such as the following:

- Unemployed graduates are disadvantaged, because most government posts require a minimum of five years' experience.
- Limited accessibility of government buildings to people with disabilities.
- Inaccessibility of the rural population, due to limited media reach in rural areas.
- Government's inadequate provision of accommodation for appointed personnel coming from outside the Province.
- A lack of career advancement opportunities, because of the rigid policies governing the administration system.
- Low income.
- A need to pursue personal growth (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:6).

Unfortunately, few government departments are able to provide the exact costs incurred due to staff losses. The average cost of replacing an employee constitutes more than 30% of his/her annual remuneration costs. Ultimately, the cost of replacing an employee comprises both financial and non-financial factors, which include the following:

- Training costs and time.
- Induction of new staff, which is aimed at the acceleration of their efficiency and competency.
- Loss of efficiency during the notice period of the outgoing employee.

The work environment and the attitudes of contemporary professionals have also changed (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:6). Employees are taking responsibility for their own self-development and wish to pursue it on their own terms without sacrificing the quality of their work. However, they also seek to achieve this in partnership with their employers, in the form of relevant job training and options for funding to pursue further studies. In the past, employees expected long-term job security and depended on their employer for career advancement and salary

increases. Nowadays, as part of taking personal responsibility for their career growth, employees may change jobs frequently in pursuit of better remuneration and may pay for their own studies (Eastern Cape Provincial Government: Provincial Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7). Employees no longer perceive loyalty in terms of the number of years spent with an employer; instead, they view loyalty in terms of their contribution and the growth and value they add to an organization (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:6).

Employers need to manage staff turnover to limit disruption in the workplace (Eastern Cape Provincial Government: Provincial Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:7). Staff retention needs to be seen as a strategic HR intervention. Therefore, HR practitioners, including those employed in the Eastern Cape Provincial Administration; need to adopt a new organisational role to ensure that all HR and management processes contribute to the retention of scarce skills (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:6).

The literature review process, as discussed in this section, will cover various issues involved in staff attraction and retention strategies, such as retention and attraction strategies, performance expectations, workforce planning, recruitment models, conflict, interviews, recruitment and selection, and HR planning.

1.11 SCOPE OF STUDY

This study covered all staff recruitment and retention challenges, and attempted to provide tools for government departments to build their own creative, practical and focused staff attraction and retention models. A study of this nature may raise the expectations of employees. Therefore, the variables studied, were limited to those areas in which the Eastern Cape Provincial Administration could reasonably affect the required reforms. It was envisaged that the findings of this study would be useful in addressing problems associated with staff turnover in the Departments of Health, Education, Roads and Public Works and Local Government and Traditional Affairs and the Office of the Premier in the Eastern Cape Province.

1.12 POPULATION

This study will focus only on HR managers and practitioners in selected government departments, namely the Department of Education, the Department of Health, the Department of Local Government and Traditional Affairs, the Department of Roads and Public Works and the Office of the Premier. De Vos, Strydom, Fouché and Delport (2002:26) define a population as a set of entities in which all the measurements that are of interest to the practitioner or researcher are presented. In contrast, Babbie (2010:26) defines a population as a group or collection about which a researcher seeks to make generalisations. For the purpose of this study, the main population comprised Eastern Cape Provincial Administration HR managers and practitioners in the selected departments. The research methodology (questionnaires) developed, was first approved by the statistician who assisted in this study (Babbie, 2010:26).

1.13 SAMPLE SELECTION

The researcher undertook the following sampling activities:

- HR managers and practitioners within the selected government departments with a bias towards ECPA staff were used as primary sources of data.
- The following government departments were included in the research:
 - Office of the Premier (OTP).
 - Department of Health.
 - Department of Education.
 - Department of Local Government and Traditional Affairs.
 - Department of Roads and Public Works.
- A statistically sound sample of employees was drawn from among the workforce of the Eastern Cape Provincial Administration, including the Head Office regions and districts of the Province.
- Exit interview reports conducted with employees from various departments planning to leave the Eastern Cape Provincial Administration, were analysed.
- A sample of exited employees working within and outside the Province was sourced and drafted.
- A survey was conducted using a sample of potential employees sourced from various tertiary institutions within the Province.

Various sources were also consulted, including books, recruitment journals and pamphlets from various departments and libraries.

In order to be statistically sound, the samples had to provide for the generalisation of the research results to all employees of the Eastern Cape Provincial Administration. This means that the results obtained from the sample of employees had to be representative of all employees and eliminate all forms of bias. A sample of not less than 1% of the HR managers and practitioners of selected departments was studied. This amounted to approximately **225** employees. Quantitative and qualitative research design questionnaires were used.

1.14 STAKEHOLDERS

The key stakeholders for the study were the following:

- The Office of the Premier, as the lead department.
- All government departments, as partners in the implementation of the study.
- Receivers of feedback, who carried responsibility for implementing the subsequent strategies.
- Organised labour, as partners in the study and receivers of feedback.
- Randomly selected staff members of government departments, as participants in the study.
- The media, as service receivers of the Province and conveyors of feedback to citizens.

1.15 DATA COLLECTION

Data were collected through structured questionnaires, which were distributed to senior managers and HR practitioners in selected departments. Pamphlets were also sourced from various departments and libraries. Appointments were made with the respondents to ensure their availability for the delivery of the questionnaires. Respondents with access to e-mail and fax machines were requested to utilise them as a means of communication to save time. Information from respondents who did not have access to either of the above was collected per arrangement. On the conclusion of the data collection process, the respondents were thanked for their time and effort.

1.16 DATA ANALYSIS

Appropriate statistical techniques were utilised by a qualified and registered statistician. Each type of questionnaire was analysed according to single and combined demographic variables. It was possible to differentiate how different categories of employees scored against different questions. For example, relevant trends, such as a propensity to take sick leave, could be analysed by region, division, job grade, gender, or combinations of these. Exit interview reports from the selected departments were also analysed. A simple spreadsheet was designed and utilised specifically for the Eastern Cape Provincial Administration to chart research results. All responses were represented graphically.

Practical medium and long-term attraction and retention strategies were compiled, based on the outcomes of the research, and submitted to the Eastern Cape Provincial Administration.

1.17 ETHICAL CONSIDERATIONS

Ethics clearance was sought from the Ethics Committee of the Nelson Mandela Metropolitan Municipality (NMMU). The names, designations and identity numbers of participating employees were not attached to the questionnaire, and all disclosed information was kept confidential. Permission request letters were written to the Heads of the Departments to be sampled.

Each participant was required to provide written, fair and relevant information to be utilised in the research. Participation was strictly on a voluntary basis and participants were informed that they had the right to withdraw from the study at any time. The participants were told of the purpose of the study and the purpose for which the research results would be utilised.

1.18 CHAPTER OUTLINE

This study consists of the following nine chapters:

Chapter One: Problem statement and definition of concepts

Chapter Two: Literature Review

Chapter Three: Recruitment Process of Public Human Resources

Chapter Four: Retention of Human Resources

Chapter Five: Performance Management System

Chapter Six: Positive Labour Relations

Chapter Seven: Research Methodology

Chapter Eight: Data presentation, analysis and strategies for retaining of staff in selected government departments

Chapter Nine: Recommendations and concluding remarks

1.19 SUMMARY

Chapter one provided the overview for the study. As staff turnover is the major human resources related challenge in the Departments of Education, Health, Roads and Public Works, Local Government and Traditional Affairs and the Office of the Premier in Eastern Cape, this study investigated the impact of staff turnover on organisational effectiveness and employee performance. This study was undertaken in response to concerns about the high level of staff turnover, particularly in senior management posts in the Eastern Cape Provincial Administration, resulting in high vacancy rates and therefore continuous recruitment. Between 1 April 2008 and 31 March 2010, the Eastern Cape Provincial Administration experienced an average vacancy rate of 28% (6 732 vacancies) across departments, with some departments having a vacancy rate in excess of 50%, according to data collected from various Eastern Cape Provincial Administration departments. The majority of vacancies in most departments were at executive level. Efforts to recruit and retain employees in these posts remained a major challenge, despite the fact that some of these vacancies were funded and displayed in the departmental organograms. Consequently, the study sought to address and minimise the problem of high staff turnover rates within key departments of the Eastern Cape Provincial Administration.

In this chapter, the study was introduced through a short literature review and an overview of the chosen departments. The problem statement was discussed, with an

overview of the objectives, and the research questions were stated and defined. The overall research design was explained through a general approach, population, measuring instruments, a brief description of the questionnaires and a presentation of the data collection and analysis methods. The ethical considerations and limitations of the study were declared as well as an indication of the treatise to follow. The methodology used to gather the information for the research was discussed at length.

CHAPTER TWO

LITTERATURE REVIEW

2.1 INTRODUCTION

Throughout the twentieth century, Western governments sought to achieve 'development', not only in their own countries, but also in other regions of the world, particularly in Africa, Asia, Latin America and the Caribbean. This focus on 'development' has continued into the twenty-first century, for example through the Millennium Development Goals. While development is often viewed as something very positive and highly desirable, it is also very important to consider the possible detrimental effects of development on the natural environment, different social groups and the cohesion and stability of societies.

Theories and Practices of Development investigates and places in historical context the development theories behind contemporary themes, such as globalisation and transnationalism. The main definitions of 'development' and 'development theory' are outlined, with a description and explanation of how approaches to development have changed over time. The differing explanations of inequalities in development, both spatially and socially, and the reasoning behind different development policies are also considered.

By drawing on pre-twentieth-century European theories about development and examining current policies in Europe and the USA, the research not only emphasises commonalities in development theorising over time and space, but also the importance of context in theory construction. This research provides an ideal introduction to development theories, Alternative Conceptualisations of Development and the Political Economy of Development. At the end of the chapter, a short summary is provided.

2.1 DEVELOPMENT

There are many definitions of development. To a large extent, these depend on the perspective of those defining the term. They also reflect the particular period in which they were conceived. It is important to note, however, that most definitions of the term

imply movement from a current or previous condition, to one which is in many respects different and has very often the “connotation of a necessary path of progress, embracing an idea of necessity, change and fundamental improvement” (Gasper, 2004:25).

From a positivistic point of view, development can be defined as a fundamental, structural or qualitative change, whereby ‘change’ can be seen both as the process itself or its outcome. Note, for instance, the difference between ‘less developed’ countries (LDCs) and ‘developing’ countries: while the first points towards a certain condition, the latter points towards a transition from ‘less’ to ‘more’ developed. In its most rudimentary form, development can therefore be reduced to economic growth, measured as the Gross Domestic Product (GDP) per capita (Gasper, 2004). In such a view, in which improvement amounts to economic progress, the conception of people as agents of their well-being is reduced to that of pursuers of commodities, the *homo economicus*. When this positivistic approach is supplemented by a more evaluative approach to development, it can be defined in terms of good change, improvement or, when we see it as a result, a good or improved condition (Gasper, 2004:25).

If development means good change, questions arise about what is good and what sort of change matters (Chambers, 2004). Traditionally, these good changes refer to “increased living standards, better health care and well-being and other forms of common good which are seen to benefit society at large” (Power, 2003:2). Set against an evolutionistic timeline, this change is often reduced to a linear and progressive process, whereby development is put on par with ‘more’. This conception of development in terms of ‘more’ is closely related to a normative or instrumental view, whereby development is defined negatively as “pointing to things that are *lacking* or *deficient* or things that need to be *intensified*” (Power, 2003:2). As a consequence, ‘more’ good change could signify a contribution to the development of the people or nation in question. When superposing this normative conception upon the positivistic definition of development as a process or as the result of that process, development can be seen as referring to “a desired end state, or to the precondition which permits what is desired” (Chambers, 2004:28; Gasper, 2004:36; Power, 2003:2).

Therefore, development is often, but not exclusively, regarded as a synonym for progress, which in itself is a value-laden notion. Other perspectives focus on the organisation of society, and see development as a move away from forms of organisation based on primordial units, such as clans, tribes and ethnic groups, towards more associative types of organisation.

After the Second World War, development was usually thought of in terms of economic progress, as a “rapid and sustained rise in the real output per head and attendant shifts in the technological, economic and demographic characteristics of society” (cited in Regan, 1996:12). This definition was extended during the elaboration of modernisation theory; however, the emphasis on economic growth was retained. Critical structural and dependency theorists drew attention to the fact that what passed for development was in fact a process of underdevelopment and the preservation and even deepening of socio-economic and political inequalities. In the later 1970s and in the 1980s, efforts were made to associate development directly with a concerted attack on mass poverty in developing countries. In the 1980s and 1990s, a conservative counter-reaction led to the hegemony of neo-liberal theoretical alternatives in the discipline of economics and within international financial institutions. Such alternatives preached the unfettered operation of markets and the assumption that, if the wealthy prospered, a trickle-down to the poor would inevitably follow (Regan, 1996:12).

The failure of neo-liberalism in practice has done little to deter its proponents; rather, it seems to have strengthened them in their resolve. Meanwhile, more progressive scholars took more explicit cognisance of human empowerment and environmental concerns. However, an extension of market-oriented notions of economic development to the countries of the South ensured that economic growth remained a central pillar of mainstream development prescriptions.

Whichever perspective is used, the fact is that development means change. Change is always synonymous with conflict over resources between competing social interests. Change implies a modification in the distribution of economic and other benefits in a community or society. It involves a shift in the power relationships characteristic of a group. It implies an alteration in access to advantage. Change of this sort implies that there will inevitably be winners and losers. The hegemony of neo-

liberal policies over the past two decades has generally been at the expense of the world's poor.

Wherever development is imminent, or in process, there will therefore always be those who resist it and those who welcome it. Development is therefore almost always laden with social conflict. The groups benefiting from a particular *status quo* will naturally be wary of any change. Traditional leaderships may welcome certain development projects designed to improve the general economic prospects of a rural community – as long as their own power is not threatened by the process. Development designed to distribute wealth more evenly through a society will similarly threaten the economic elite benefiting from the current system. Equally, there will be new aspirant elites, perhaps the more modernised or educated sectors of the society, who will see development as conducive to the improvement of their own positions in society.

The **concept of colonial development**, embodied in the British *Colonial Development Act* of 1929 (Constantino, 1984), represented a further **major step in the crystallisation of development policy**. Although the Act was intended to stimulate the export of manufactured goods to the colonies, to the benefit of domestic industry, it **facilitated and legitimated large-scale interventionism** at a time when *laissez faire* approaches were the norm, and hastened the shift to more comprehensive forms of planning (Constantino, 1984:32).

These formative measures later **meshed with the idea of centrally-directed economic growth**, which was conditioned by the Soviet experience of planning, which aimed for the thorough integration of economic, political, social and physical development.

Such an approach was seen as appropriate for achieving the **modernisation of newly independent countries**. With the achievement of nation statehood, the new political elites sought to implement such ideas in a systematic fashion. Central state and parastatal organisations concerned with developmental planning were set up to give substance to the notion of development and to translate it into concrete policy.

“Development ceased to be the summation of the activities of a myriad of producers or an abstract theoretical ideal and instead **became the managed implementation of purposeful policies**” (Midgely, 1986:14).

2.1.1 Theory of Development

The previous section outlined what is generally understood when people use the term ‘development’ in the context of development studies. In this section, the issue of how theory is developed in development studies is examined. Before tackling this, one needs to take a step backwards and ask oneself: *What is the epistemological basis of development studies?* Put differently, how do we know what we know? For those interested in a more philosophical underpinned discussion, consult Summer and Tribe (2008:3).

Here, the focus is on a more general level of theorising development studies. Nevertheless, following Chambers (2005:83), it is important to emphasise that development studies needs a self-critical epistemological awareness. This means that one needs to be “aware of how knowledge is formed by the interplay of what is outside, and what is inside, ourselves” (Chambers, 2005:83). Not only does one need to be aware of external processes of observation, but of where one comes from (one’s own socio-cultural background) and how this colours one’s worldview and hence one’s analysis of social processes (Chambers, 2005:81-83).

As Clark (2006) points out, it is widely agreed that no single discipline can adequately capture the breadth or complexity of development. He argues that if one wants to deepen one’s understanding of development issues, one needs to combine tools from different disciplines. Development analysis therefore requires inputs from disciplines covering the social, economic, political and cultural dimensions of development. This means that researchers will need to draw on insights from social theory, economic theory, political theory and cultural theory (Summer and Tribe, 2008). Kanbur (2002) proposes different ways in which this blending of methods might occur (Kanbur, 2002:483, Clark, 2006:81; Summer and Tribe, 2008:53).

Kanbur (2002:483) uses the term cross-disciplinarily as “a generic term referring to any analysis or policy recommendation that is based substantively on the analysis and

methods of more than one discipline". He further states that there seem to be two approaches to combining the analytical tools of the different disciplines. He explains: "One [approach] is to go for a deep integration right from the beginning, and to keep that going right through the analysis, all the way to the policy recommendation, if there is to be one. Let us call this type of exercise interdisciplinary, suggesting an inextricable interweaving of the different disciplinary methods." (Kanbur, 2002:483).

The other approach is to let each discipline do its best in its own terms and using its own methods in the first phase, and then to use the results from each discipline to develop an overall analytical synthesis and policy conclusions, if that is the objective. "Let us call this type of exercise multidisciplinary" (Kanbur, 2002:483). Thus, over time, influences from disciplines such as economics, anthropology or sociology are integrated into development theories. These different theories did not follow each other in a strict linear, temporal way (Kanbur, 2002:483).

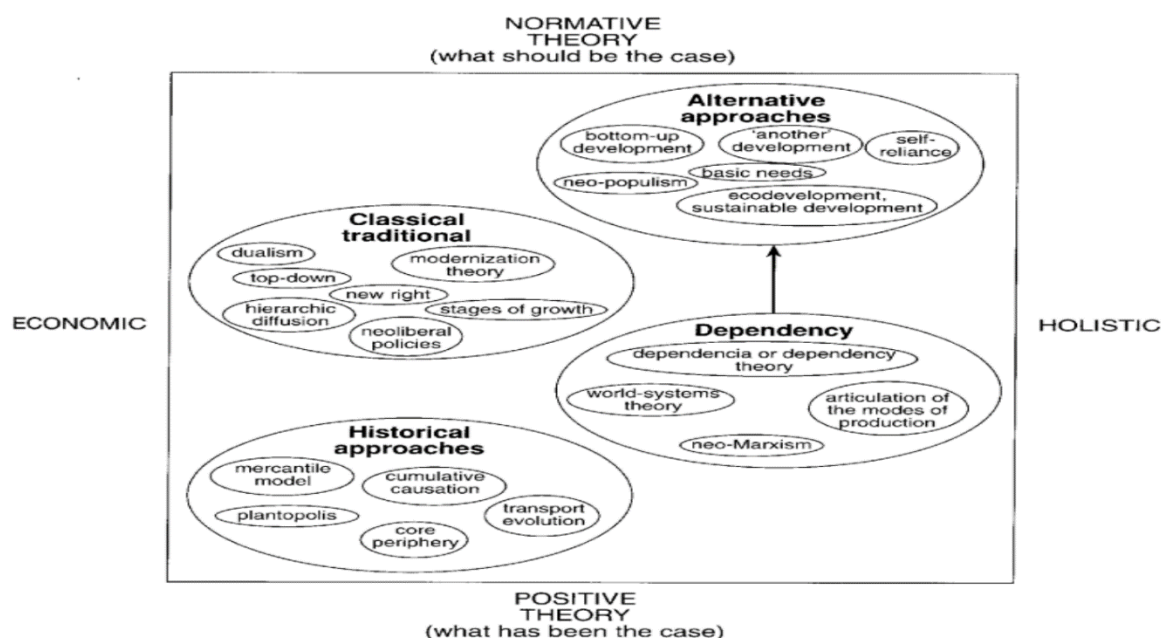
New theories may emerge and live alongside previous theories. On this account, Hettne (1995:64) draws attention to the "tendency of social science paradigms to accumulate rather than fade away" (p. 64). Up until the 1980s, development theory was mainly expressed in the form of grand narratives, or meta-theories, which aimed at providing an understanding and an explanation of current affairs in development studies (Hettne, 1995:64).

However, as was observed that these theories were not able to provide adequate explanations for patterns of development and underdevelopment and led to incorrect predictions, development studies as a whole entered a crisis in the mid-1980s (Martinussen, 1997:18-31). This impasse, which was triggered in part by Booth (1985) and Edward and Connell (1989:32) critiques of development theory, has been described by Schuurman (1993) as a stalemate between modernisation and underdevelopment theories. One important influence of this impasse was a move away from grand theory towards a more context-specific approach (Booth, 1985:07; Edwards, 1989:32; Martinussen, 1997:18-31).

These different ways of thinking about development over the past decades have been categorised in several ways by different scholars. Potter, Binns, Elliott and Smith

(2004:69) suggest that four major approaches to theorising development can be discerned. These are shown in **Figure 2.1**.

Figure 2.1: Framework for Considering Development Theories



Source: Potter *et al.* (2004:69).

The vertical axis plots the distinction between the normative theories and positive theories of development. This axis shows the positioning of the theories with regard to their focus on what should be (normative) and what is (positive). The horizontal axis shows the positioning of the different theories on a continuum from a partial to holistic emphasis. This matrix yields four main groups which, according to Potter *et al.* (2004), can be described as (1) the classical-traditional approach; (2) the historical-empirical approach; (3) the radical political economy-dependency approach; and (4) the bottom-up and alternative approach (Potter *et al.*, 2004:69).

Each of these approaches may be regarded as expressing a particular ideological standpoint and dominated development discourse at a certain moment in time. Classical-traditional theory, embracing dualism, modernisation theory, top-down conceptualisations, the new right and neoliberal imperatives are seen as emphasising the economic, collectively existing midway between normative and positive poles. In contrast, radical political economy-dependency approaches, embracing neo-Marxism and the articulation of the modes of production, are seen as more holistic. At the

positive end of the spectrum exist those theories that are basically historical in their formulation and that purport to build on what happened in the past.

These theories include core-periphery frameworks, cumulative causation and models of transport evolution, especially the mercantile model. In contrast, again, there are the theories that emphasise the ideal, or what should be. These are referred to as 'alternative approaches', and basic needs, neo-populism, 'another development', eco-development and sustainable development.

2.1.2 Social Theory and Notion of Progress

Nisbet (1980:04), in his analysis of the idea of progress, contends that “no single idea has been more important than, or perhaps as important as, the idea of progress in Western civilization for nearly three thousand years” (Nisbet, 1980:04). For Nisbet, the notion of progress is inseparable from a sense of time flowing in unilinear fashion. He defines the concept as follows:

“the idea of progress holds that mankind has advanced in the past – from some aboriginal condition of primitiveness, barbarism, or even nullity – is now advancing, and will continue to advance through the foreseeable future”
(Nisbet, 1980:04).

Although there is considerable consensus among development scholars that the field of development studies was established in the late 1940s (Sachs, 1992:58; Esteva, 1992:71; Escobar, 1995:134), the origins of theorising, analysing and studying processes of social change can be traced back to the work of the Enlightenment philosophers and the great social theorists of the nineteenth century (Nisbet, 1980:04; Sachs, 1992:58; Esteva, 1992:71; Escobar, 1995; 134; Harriss, 2005:17).

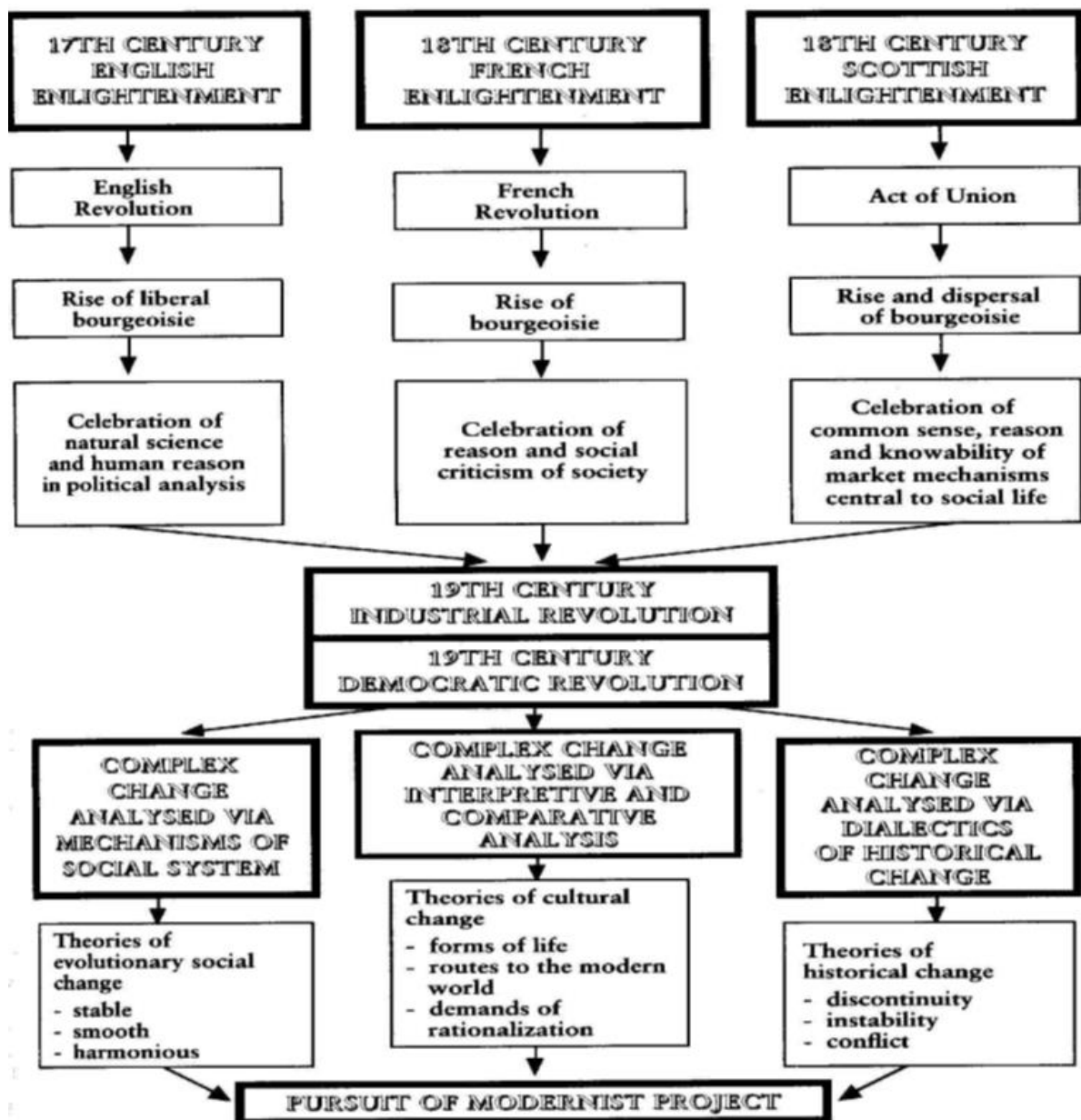
The importance of Enlightenment in European thinking lies in its challenging of traditional world views, dominated by Christianity, and the introduction of new frameworks of ideas about the relationships between man and nature. It is this tendency towards critical inquiry and the application of reason that lies at the basis of the modern idea of development (Cowen & Shenton, 1996). One of the most powerful ideas emanating from the Enlightenment is that the application of reason and science could improve the human condition. As Shanin in Rahnema and Bawtree (1997:65)

stated, the idea of progress “offered a powerful and pervasive supra-theory that ordered and interpreted everything within the life of humanity — past, present and future” (Cowen & Shenton, 1996:65; Shanin, in Rahnema and Bawtree (1997:65); and Schech & Haggis, 2000:4).

Enlightenment brought along emphasis on science (rather than Gad) as a source of knowledge; secondly, the individual (rather than the King) empowered government and, finally, the history of man was seen in terms of linear progress and improvement. Thus, human agency became the central element in these fundamental changes in how the world was seen and understood (Schech & Haggis, 2000). For the first time, the idea that people themselves made their own society came to the fore (Schech & Haggis, 2000:04).

Figure 2.2 shows how the different strands of Enlightenment thinking fed into the modernisation project, of which the core ideas would characterise thinking about development for the major part of the second half of the twentieth century.

Figure 2.2: Rise of Social Science in Shift to Modern World



Source: Preston (1996:33)

The period from 1750 (from the start of the Enlightenment) to 1900 also marks the zenith of the idea of progress in Western thinking (Nisbet, 1980: 171). It is important to emphasise here that conceptions of progress and economic growth were very closely related during this period (and, we might add, often still are). For Voltaire, for instance, commerce, liberty and progress were inseparable (Nisbet, 1980: 177). This faith in reason and human agency persisted well into the Second World War (see, for instance, Horkheimer and Adorno's (1973) critique of the limits of Enlightenment (Nisbet, 1980:171-177)).

Figure 2.2 above shows how the ideas of Enlightenment fed into the Industrial Revolution of the nineteenth century. This Industrial Revolution was characterised by a shift from agrarian feudalism to industrial capitalism and led to the disruption of 'traditional' ways of life in Europe. Controlling and planning these changes for the future required an understanding of the fundamental forces underlying this process of societal transition. This issue will be dealt with in the next section.

2.1.3 Theoretical Heritage of Development

Studies of Third World countries date back to the era of the colonisation of Latin America, Asia and Africa by the European powers. A large number of these early studies, however, were mainly concerned with ethnographic and socio-anthropological descriptions of local conditions, rather than theorising.

As we saw in the previous section, methodologically conscious and generalised approaches to studying societies emerged with the exploration of the societal changes induced by the Industrial Revolution in Europe.

These approaches are the backbone of the theoretical heritage of present-day development research and theory construction. Following the Second World War, the all-embracing approaches that characterised early classic social theory were abandoned and specialisation emerged. Martinussen (1997) differentiates two streams of thinking that formed the theoretical origins of development economics and sociological and political development theories; the two main traditions in contemporary development research (Martinussen, 1997:49-56).

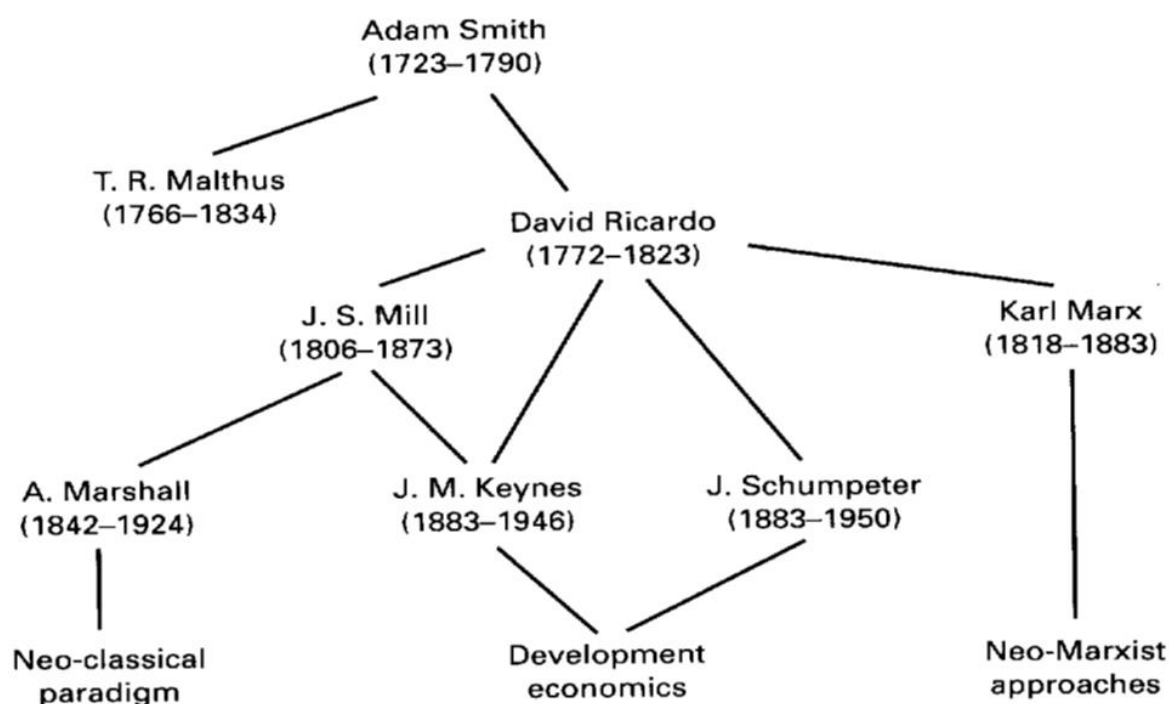
2.1.4 Theoretical Origins of Development Economics

Development economics first appeared as a separate discipline in the 1940s; emerging initially as a special perspective and subsequently as a sub-discipline in the field of economics. Theoretically, it is rooted in the writings of classical political economy scholars like Adam Smith, Thomas Robert Malthus, David Ricardo and John Stuart Mill. Its emergence as a discipline coincided with the decolonisation of Asia, the Middle East and Africa. From the outset, the main concern of development economics was to uncover the causes for the continued poverty and underdevelopment or

stagnation in the Third World, and close linkages were established between theory and practice.

Figure 2.1.4.1 below graphically summarises the connections between the main authors and some of the most influential streams of thought in contemporary development economics. Adam Smith's *Wealth of Nations* (1776), can be seen as taking a central position in the debate. In this work, Smith underlined the critical role of market mechanisms, operating as the 'invisible hand', which ensured that production in society was (in most cases) organised in the best interests of all. Hence, the market on the one hand regulates production through the mechanism of supply and demand.

Figure 2.3: Theoretical Origins of Development Economics



Source: Martinussen (1997:22)

Another important role the market plays is that of source of economic growth. If a market grows (because of, for example, the opening of new territories), demand would increase and production would follow. At the same time, specialisation would occur among producers. A central element in Smith's theory is that specialisation would lead to higher productivity per working hour. For Smith, industrialisation is the main engine of growth. A major precondition, however, is the accumulation of wealth. Smith's idea

of the 'invisible hand' and his arguments about the accumulation of capital and the (re-) investment of profits as the key determinants of economic growth continue to play a prominent role in contemporary debates.

Ricardo was one of the first to elaborate seriously on Smith's political economy. Ricardo identified two sources of growth in addition to capital, these being technical innovations and international trade. Ricardo believed that, due to increasing populations, more land would be required to produce food; therefore, less would be available for industry. This would affect food prices (which would go up as supply diminished); wages (which would go down in producers' efforts to keep down the production costs); and return on investment for industrialists. Only the introduction of technical innovations and international trade could prevent this scenario.

Ricardo's theory of comparative advantage was elaborated on relation to the above-mentioned problem. The basic notion of the theory is that each country should concentrate its production in areas where it has competitive advantages over other countries. Ricardo's thinking would prove to be influential for Marx and later neo-classical economic theorists.

Another theorist, occupied with the question of population growth and its consequences, was Thomas Robert Malthus. His basic assertion was that populations would necessarily grow more rapidly than agricultural production. His thinking can be seen as a forerunner of that of John Maynard Keynes.

Common to all classical political economists was a strong emphasis on generalisation and abstraction. In their analyses, they looked for patterns, causal relationships and laws of motion regarding societal conditions in the short-term perspective, as well as regarding growth and change over the long term. These analytic intentions have been passed down to present-day development researchers.

Schumpeter (2008) was a theorist on the sidelines of the mainstream of thinking, but nevertheless left a considerable legacy in the form of hypotheses and ideas that continue to be debated to date. Schumpeter made an important distinction between growth and development. For Schumpeter, growth was the gradual extension of the capital apparatus and increasing production. Development, however, could occur only

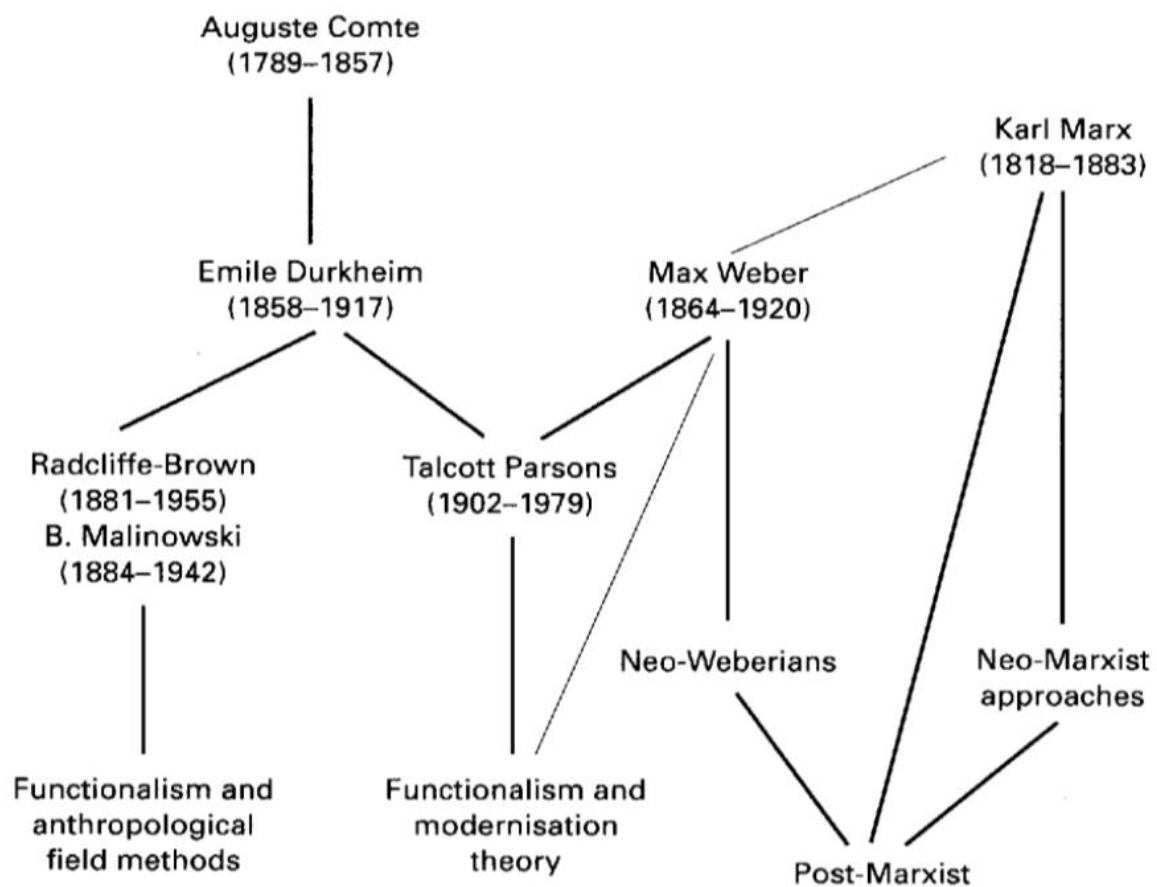
when technical innovations introduce new production techniques, new products or new means of organising production, i.e. when production factors are used in new ways. Innovators for Schumpeter were the entrepreneurs. He believed that growth was driven by technical innovations, in association with the entrepreneurs' mobilisation of credit (Schumpeter, 2008).

Several changes in the focus of economists preceded Schumpeter. At the turn of the twentieth century, long-term growth was taken for granted and attention was directed at allocative effectiveness and efficiency; in other words, the best utilisation of the given resources. This implied the arrival of the so-called 'neo-classical paradigm', which today still dominates much of economic research. Some of the central features of neo-classical economics are certain explicit assumptions about the nature of the economic system and the determinants of economic behaviour. These include that firms will maximise profits and that consumers will maximise utility. Combined, these behavioural-determining factors are believed to produce an optimal allocation of production factors and provide best conditions for economic growth – provided that perfectly competitive markets exist.

2.1.5 Sociological and Political Theories

The second strand of thinking within development studies has its theoretical origins in sociology. **Figure 2.4** schematically shows how the works of the most influential thinkers have influenced contemporary thinking in sociological and political development theories.

Figure 2.4: Theoretical Origins of Sociological and Political Development Theories



Source: Martinussen (1997:30)

Marx, Weber and Durkheim observed that, at the turn of the nineteenth century, Western society was fundamentally different from anything that had come before. They documented the breakdown of the ties and institutions governing those traditional societies. Most importantly, these authors observed the ever-increasing rationalisation and secularisation of Western civilisations. Society was changing from one in which authority and beliefs stemmed from traditions, superstitions, fatalism or emotions, to one dominated by the application of reason and practicality, and the ability to explain the world scientifically. Furthermore, they saw this shift to modernity in terms of increased complexity. Everything became more specialised, segmented and complex in the process of the increasing division of labour.

The observation that the new economic system – capitalism – could both generate immense wealth, while at the same time creating dire poverty, social inequality and political crises, lies at the basis of Marx and Engels's analysis. Understanding the roots

of these contradictions was what drove Marx and Engels. Karl Marx started his analysis from the basis of political economy. He was interested in the totality of society and how this changed over long periods of time. His focus was on how and why various forms of society emerged, changed and then disappeared again (Martinussen, 1997:71-100).

Marx thought that people and their history could be understood only in terms of what they produce. His historical analyses hinged on studying the relations of production. He saw these as the most important explanation of why society is as it is and how it changes. This type of analysis is called historical materialism.

Marx's greatest legacy is his contention that all history is a story of struggles between those who own factories and tools and those who must sell their labour to purchase the goods they need to survive. For Marx, studying history was necessary to understand the evolving structure of things. He saw the capitalist system as an all-encompassing structure that bred exploitative economic relationships, which influenced prevailing ideologies and behaviours.

Weber, in contrast, was more interested in explaining the underlying forces that allowed the new society around him to develop. For centuries, European society had been dominated by the Church, the King, and the land-owning elite (the sources of traditional authority). However, urbanisation and industrialisation quickly eroded the power of these institutions. The new dominating force of the era became the creation and accumulation of wealth. Weber noted that the new approach to work and money brought along fundamental changes in attitudes and behaviours, which he termed the 'spirit of capitalism'.

Weber explained how society changed from valuing tradition to one dominated by new, more objective practices and values, such as the written contract, merit and universal standards. Weber asked himself the question how these ideas had come to replace religion as a source of authority. What he observed, was that the ideas accompanying the emergence of Protestantism and rational bureaucratic organisations spilled over and even dominated modern capitalism. While Marx believed that economic arrangements determined ideology (ideas), Weber believed in the possibility that ideas

could lead the process of economic development. *In casu*, Protestant ideas that helped shape the rise of capitalism in its modern form.

Weber argued that some Protestant religious practices had become secularised and developed into a new type of authority. Preston (1996) states that Weber's argument points to the affinity between the Calvinist notion of a calling, which is transposed from a religious setting to a secular setting (p. 109). Following this calling to obey God, combined with a belief in the sinfulness of laziness and idleness, turned hard work into a virtue. Similarly, specialisation according to one's calling infused work with religious meaning and made hard work, efficiency and ascetism inherently virtuous, as the accumulation of wealth demonstrated a state of grace (Preston, 1996:109).

The influence of Weber cannot be overstated: the modernisation theorists, writing decades later, drew on the assumption that there was something morally superior in the investment of wealth, hard work, efficiency and strict bureaucratic structures. These traits were called modern and rational, while leftovers of previous social structures were seen as irrational and hampering progress.

As is the case with other classic social theorists, Durkheim's interest in social change was closely linked to his observations on the process of division of labour. In a traditional society, differentiation and specialisation remain low (see, for instance, Evans-Pritchard's (1985:76) description of the Nuer in South Sudan). In a traditional society, people are very similar to one another. This means that their world-view is limited to what they know, and what is transmitted from one generation to another. Durkheim termed this sameness 'mechanical solidarity'. Once a division of labour occurs and society becomes more complex, people become increasingly exposed to new requirements, experiences and values. The further this process of specialisation and division of labour progresses, the more different people become and the more society is able to produce (Evans-Pritchard, 1985:76).

In order to deal with this greater diversity and faster pace of change, people needed to change their world-view from the narrow and particularistic ('traditional') world-view they held, to a broader and more universal one. Theorists like Durkheim and Parsons insist that this process was not only inevitable, but also necessary.

Durkheim and other authors like Talcott Parsons have since used this traditional-modern dichotomy and the concept of division of labour to understand and explain how poor countries differ from wealthy ones and where they might be going.

Parsons and the modernisation theorists took over Durkheim's ideas and applied them to developing countries. The ideas propagated by Marx and Weber were taken over by later theorists and applied in the analysis of the processes of social change in Third World countries.

2.1.6 Conceptions and Dimensions of Development

Since its birth as a discipline in the late 1940s, various conceptions of development have emerged. Over the last five decades, the general tendency has been to shift away from one-dimensional conceptions of development, focusing on economic growth and replacing them with multi-dimensional notions incorporating non-economic aspects as well. As mentioned earlier, these different conceptions should not be seen in a sequential manner, i.e. that one was replacing the other. While some of them have been abandoned over the years, others remain influential and have incorporated new aspects, ideas and insights along the way.

In the 1950s, economic growth in itself was seen as the supreme goal. This meant that economic growth and its determinants and obstacles were the natural foci for development economists. The core conceptions of growth among development economists in the 1950s were increasing production and consumption, but also employment and improved standards of living. This was measured in terms of national income, computed as average per capita income. This aggregate measure was used by the World Bank up until the 1970s. It is important to point out that both the World Bank and development economists were fully aware that this was an incomplete measure and did not in all cases give a correct impression of the conditions and changes.

One issue was the fact that these figures did not reflect the distribution of wealth in developing countries. This question of distribution became a central concern for development economists in the 1960s, as figures began to appear that indicated that growth was frequently unevenly distributed socially and geographically and between

economic sectors. The result was a readjustment of the original conceptions, in order to take into account the impact upon distribution.

There is still no general agreement on how to define economic growth and development goals exactly, nor the best way to measure socio-economic changes in developing countries. Yet, wide approval has currently been gained for a notion that defines economic development as a process whereby the real per capita income of a country increases over a long period of time, while poverty simultaneously is reduced and the inequality in society is generally diminished.

Conceptions of this kind have been adopted by the World Bank and have informed Bank strategies since 1970s. Until around 1980, the World Bank was mainly interested in combining growth in per capita income with special assistance to the poor. During the 1980s, the focus shifted towards aggregate growth, in conjunction with the restoration of macro-economic balances, structural adjustment, and increased foreign exchange earnings. Since the 1990s, the World Bank has again emphasised growth for the poor in its overall conception of development.

This ideal of growth for all, however, remained a limited indicator of development and was criticised by economists such as Sen, Streeten, UI Haq and others. Sen cautions that development cannot be seen solely in terms of an increase in the income per capita that has been generated, as commodities “are no more than means to other ends” (Sen, 1987:16). He pioneered a shift away “from the emphasis on growth towards issues of personal well-being, agency and freedom” within economics and development studies (Clark, 2005:1340). A human being is far more than *homo economicus*, whose actions should be primarily understood as an attempt to maximise his utility curve. Therefore, human welfare is the essence of development for these economists. Increased incomes and national economic growth are considered crucial preconditions for improvements in standards of living – but not the only preconditions (Sen, 1987:16) and (Clark, 2005:1340).

This conception of development has been institutionalised in the Human Development Reports (HDRs) published yearly since 1990. The first report defined human development “as a process of enlarging people's choices” (UNDP, 1990, p. 10). At first, attention was mainly directed at three essential areas: (1) the opportunity to live

a long and healthy life; (2) the opportunity to acquire knowledge; and (3) the opportunity to access the resources needed for a decent standard of living. Subsequently, considerations were added regarding political freedom and human rights; human development for women as well as for men; environmental and other aspects of sustainability; citizens' participation and opportunities to affect political decisions in society.

Hence, as Martinussen (1997) contends, what was originally launched as an alternative goal of development, gradually became a new framework for research as well as development co-operation; a new paradigm of sustainable human development (Martinussen, 1997:18-31).

The basic notions of development outlined above centre around economic and material conditions, although the concept of human development has been extended to also include non-economic aspects. Another widespread conception of development that originated in the 1940s and 1950s is seeing development as a process of modernisation. Influenced by Parson's functionalist sociology, modern societies were contrasted with traditional societies, the former representing the ideal of progress to be attained by the latter (Kiely, 2006). Becoming modern hence required a structural change process through which the traditional and backward Third World countries developed towards greater similarity with the West (Kiely, 2006:395-399).

The 'good' features of modern civilisations to be imitated by the developing countries were the division of labour and specialisation, high productivity, self-sustaining economic growth, a well-functioning and active state apparatus, democratic government, and equality before the law. This conception of development as a modernisation process has survived the last 40 years of debates and empirical research and still remains influential, particularly outside the research community.

In the 1960s, Marxist and neo-Marxist conceptions of development emerged as explicit alternatives to the normative theories about modernisation outlined above. Within these tradition, two different objectives for development dominated thinking about processes of social change. One has to do with the developing countries' position in the international system; the other is concerned with the internal conditions in Third World societies.

With respect to the developing countries' position in the world system, many of the neo-Marxist theorists held the view that development implied gaining real national independence and self-centred economic progress. The *dependistas*, in particular, believed that the colonial powers and imperialism had actively underdeveloped or at least actively impeded development, in the Third World, and that political decolonisation had not changed this. Therefore, a further de-linking and dissociation from the rich countries was needed (Frank, 1969:76). Dissociation was not an end in itself, but a tool to gain the desired real national independence. Not all theorists, however, agreed with this idea of dissociation (Frank, 1969:76).

Regarding the desired internal, self-centered economic progress, views tended to differ. Resonating the nineteenth century political economy ideas of Ricardo, the overall agreement was that efforts had to be based in own particular preconditions, including own resources (cf comparative advantage theory). There was a widespread agreement that the introduction of socialism was the final objective. However, disagreement existed in formulating short- and long-term development objectives.

One end of the Marxist spectrum believed that results would be achieved by allowing capitalism to operate freely for a certain period of time, as this would bring all the necessary preconditions for socialism. This way of thinking resembled the modernisation theory, they agreed that imitating the industrialised countries was desirable. For modernisation theorists, this was the end goal, while for the Marxists, this was only a half-way stop on the road to socialism.

Another extreme position was taken by those who advocated dissociation on the one hand, and the introduction of some form of socialism, or at least some form of state control and central planning, on the other hand.

The third type of neo-Marxist approaches was more preoccupied with the historical and empirical analyses of social classes and the state in the Third World. They tended to emphasise differentiation, developing a variety of development objectives, with specific references to the prevailing conditions in each of the countries studied. Attention was more directed at the democratisation of political life, the decentralisation of decision-making, the formation of co-operatives, and a more equal distribution of development benefits. Socialism, here, was not necessarily the end goal of

development. They remained critical of central state and the envisaged general empowerment of the people through local self-government, collective ownership at community level, and co-operative societies as appropriate goals.

In general, the tendency since the 1950s has been towards the more differentiated and culture-specific definition of development. This meant that the emphasis shifted away from imitating the West and the one-side focus on the economic determinants of progress. As outlined above in discussing the human development approach, on economic aspects of development have taken up a more central role in thinking about development. One important conception of development is the Basic Needs Approach, which contends that the fulfillment of the basic needs of people in the developing world should take precedence over all other developmental efforts. These basic needs include food, education, health, housing and sanitation, as well as non-material aspects, such as fundamental human rights and freedoms, self-reliance and participation (Ghai, Khan, Lee and Alfthan, 1980:88).

The notion of people's participation as a means to development has been criticised by some for its tendency to formulate from an outsider position what the basic needs of the poor might be. The development-by-people approach, in contrast, regards popular participation as a goal in itself and as the process through which other developmental goals must be defined. Thus, the notion of development as increased capacity has shifted from national level to local level. A central concept in this thinking is empowerment, which encompasses conscientisation and self-organisation. Closely linked to this is the idea of the devolution of powers to local authorities and community organisations. This idea of effective participation has entered mainstream thinking through the Human Development Reports (HDRs).

A central concept in contemporary thinking about development goals is the issue of sustainability. In 1987, the Brundtland Commission (World Commission on Environment and Development, 1987) published a report on the impact of socio-economic change on the physical environment. This created awareness of the limits to growth and expanded the debate to include environment-related definitions of development. An often-quoted definition of sustainable development is:

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987:8)

The prominence given to 'needs' in the above report reflects concerns about the high poverty levels in Third World countries. Furthermore, it emphasizes that the fulfillment of human needs and aspirations is the most important goal of all developmental efforts. While environmental sustainability has gained widespread approval as a developmental objective in the formulation and design of development strategies, the Report's emphasis on basic needs, has, however, not gained unilateral acceptance among development theorists and practitioners.

Conflicts in countries like Somalia, Algeria, Colombia, Liberia, Sierra Leone and later Rwanda and Congo, sparked by awareness of conflicts and their costs in the 1990s. This awareness fed into a broadening of the concept of development to incorporate personal security and societal peace (Gasper, 2004:115). Jahan (2006) terms human security as 'the freedom from certain deprivations', as well as 'the freedom from specific perceived fears' (Jahan, 2006:267). Jahan further argues that the concept of human security must focus on the following five essential characteristics (Gasper, 2004:115; Jahan, 2006:267-268):

- Human security is people-centred. It is concerned with how people live in a given society; how they exercise their choices; and whether they live in peace or conflict.
- Human security is a universal concern. It concerns people everywhere, both in rich and poor countries. Many threats to human security are common to all people, like unemployment, drugs, and crime, pollution and human rights violations.
- Human security can be local, national or global. Environmental threats (i.e. local warming) are an example of the latter.
- The components of human security (freedom of fear and freedom from want) are interdependent.
- Human security is easier to ensure through early prevention than through post hoc intervention.

From the definition above, it is clear that this concept of human security is closely linked to the concept of human development, discussed above. It is important, though, to emphasise that these two conceptions cannot be equated, as human development is a broader concept. Nevertheless, there is a clear link between both, and they are mutually reinforcing (Gasper, 2004:115; Jahan, 2006:267-268).

The last fundamental conception of development noted by Martinussen (1997) is development as history. This conception of development evolved mainly within social anthropology. It views development as history, not in a universal sense, but as a history of each and every culture of the world. The core idea behind this approach is that all cultures are equal and that no-one is entitled to define development goals on behalf of others. Hence, the definition of 'development' has to be left completely to communities themselves, be they national or local. Only in this way, he claim, is self-development truly possible (Martinussen, 1997:49-55).

2.2 DEVELOPMENT THEORY

2.2.1 Growth and Modernisation Theory

Especially in its early stages, the modernisation theory drew on the economic growth theory, which helped provide the rationale for guided intervention in a developing economy by local political elites and foreign donors. The modernisation theory emerged in the climate of the Cold War, conditioned by the strategic concerns of the USA, to counteract the actual and potential influence of the USSR in the Third World. Indeed, by the early 1960s, the term and approach were widely seen as an alternative to the Marxist account of social development.

Post modernisation theories tend to assume that all societies' progress in a linear fashion from a traditional state to modernity, with models of development based on historical processes that took place in the industrialised world.

"Historically, modernization is the process of change towards those types of social, economic and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth and have then spread to other

European countries and in the nineteenth and twentieth centuries to the South American, Asian and African continents” (Eisenstadt, 1966:1).

Such approaches represented the development of classic structuralist socio-economic theories, in the tradition of Durkheim and Parsons. These theories held that societies naturally progressed from the simple to the advanced, with more complex forms of economic activity necessitating more complex supporting social institutions. It should be noted, however, that the central theoretical concerns of other different sociological traditions, such as those embodied in the works of Marx and of Weber, also dealt with the issue of social progress. Unlike Marx or Weber, however, modernisation theories suggested that the advanced societies of the West represented a desirable end-goal for the developing nations of the Third World.

It should be borne in mind that there was something of an overlap in terms of concepts and perspectives. Also, subsequent versions of the Modernisation Theory in the later 1960s and 1970s were generally not as comprehensive, ambitious or predictive as earlier versions.

Although there are differing and sometimes competing theories and models within the broad modernisation tradition, there are several key features and motifs. There was a strong degree of methodological unit, within the broad positivist tradition: modernisation theories held that social phenomena could be readily measured and compared against objective yardsticks. The nation state was the unit of analysis. Also, the bulk of modernisation theories saw modernisation as a comprehensive process, with the potential to transform all aspects of the society in question. And probably the majority of modernisation theorists – such as Rostow (1960), Hagan (1962) and Eisenstadt (1966) – saw the causes of Third World poverty and misery as primarily internal to a country, lying in pre-capitalist and pre-industrial institutional structures that are in effect antithetical to development needs and processes. Nonetheless, it was held that, through outside interventions aimed at strengthening physical infrastructure and human capabilities, social progress could be accelerated. A further defining feature of virtually all modernisation theories is the contrasting of traditional and modern.

The modernisation theory and its policy applications came in for significant criticism in the late 1960s, particularly for its assumption that the development experience of Western industrialised societies – the USA, most especially – could be relatively unproblematically applied to Third World countries (Martinussen, 1997:56-72). During the height of the Cold War, when Western powers were willing to dispense generous sums of aid to client states, the Modernisation Theory opened up the possibility of enduring ties through the active dissemination of Western modes of development and governance. Critics charged that this approach was both too optimistic and ethnocentric in its outlook (Martinussen, 1997:56-72).

“Because they assumed that all societies progressed in a linear fashion along the same path toward development, from which fascism and communisms were aberrations, modernisation theorists could not easily accept that the Third World might differ fundamentally from the First” (Rapley, 1996:17).

A major criticism was the inability or reluctance of the modernisation theory to take the global situation fully into account. Obstacles to change were seen as primarily internal, and the advanced industrial societies as the champions of industrial development; it was assumed that the process of modernisation and industrialisation was inevitable and that newly developing countries had as good a chance or better of industrialising.

Critics also rejected the simplistic and a-historical nature of the traditional/modern dichotomy. They emphasised that categories of modernity and traditionality were not clear-cut, and that the preservation and even reaffirmation of traditionality were often crucial aspects of modernising societies. The growing influence of the dependency theory in the late 1960s and the 1970s contributed to the demise of the modernisation theory, although the assumptions, concepts and imagery remained influential among policy-makers in the OECD and Third World countries. Modernisation approaches were further weakened by policy shifts in the West in the 1980s: the decline of the Soviet Union freed the United States from having to actively bid for influence in the Western World; rather, debt-ridden Third World states were forced into the position of supplicants, adopting neo-liberal macro-economic policies, whilst being denied assistance in modernising government and associated social institutions. Hence, later modernisation or neo-modernisation theory adopted a more reflective and modest approach.

2.2.2 Radical Structuralism and Dependency Theory

The emergence of a radical structuralist economics in the post-war period was also influential to development theory. Economists within this tradition – which was not homogeneous – emphasised the structural impediments to development, most notably in the Third World. A significant contribution to the development of structuralist economics came from the analysis of the developmental experience of Latin America in the 1930s and 1940s by Raul Prebisch and other economists and social scientists associated with the United Nations Economic Commission for Latin America (ECLA), set up in 1948. Orthodox neo-classical economic theories of international specialisation and trade were rejected.

For ECLA and Prebisch in particular, the international division of labour and liberalism in commerce did not imply the same benefits for industrialised countries and underdeveloped countries. The main concern was to explain the differences and gaps between those economies; differences augmented by international commerce.

This structuralist approach to development argued that in the international division of labour, Latin-American countries play a subordinated position, by specialising in the production and export of raw materials and food. The result was an economy characterised by a high degree of specialisation, together with structural heterogeneity. These characteristics were opposed to the diversified and homogeneous economical structure of central countries. By structural heterogeneity, one means the coexistence of some sectors where productivity is high, technology is very advanced, and sectors are characterised by low productivity and no technical progress incorporation. Diversified structures mean that the different economical sectors are complementary; the term homogeneous reflects the fact that technical progress is expanded to all sectors.

To these features, the deterioration of the terms of exchange must be added, which serves to increase the difficulties of retaining the results of the technical progress. The *deterioration of the terms of exchange* is the tendency in prices' long-term evolution inherent to the exchange between periphery's export primary goods and centre's export industrialised goods.

In the end, this results in a vicious circle, associated with the endogenous dynamics of peripheral capitalism, instead of the virtuous circle typical of industrialised countries. In the latter case, higher productivity allows higher wages; thus a higher level of internal demand, which induces constant incentives to innovation and industrial development. The reproduction of this circle increases the technological gap between centre and periphery.

Accordingly, the pattern according to which countries are inserted internationally, as envisaged in the Comparative Advantage model, was seen as a fundamental and structural obstacle to development. A central aim of structuralist economics was to provide more workable models of local and national economies, to enable governments to plan more coherently for national development (Rapley, 1996:12-16; Preston, 1996:179-189; Martinussen, 1997:73-84). Structuralists maintained that the only way in which developing countries could remove obstacles from their path was through substantive and coordinated state action. States had to provide a 'big push' for industrialisation, and Third World countries had to reduce their dependence on trade with the First World, and increase trades among themselves.

In the earlier stages, the differences between structuralism and growth and modernisation theories were not so significant. However, over time, more radical variants of structuralism emerged as part of the construction within the social science discourse more generally of dependency theory – a perspective that was explicitly and deeply opposed to the modernisation theory (Preston, 1996:179-189; Rapley, 1996:12-16; and Martinussen, 1997:73-84:).

As the shortcomings of import-substitution industrialisation (ISI) became more apparent, dependency theorists argued that structuralist-inspired policy had failed to break links with the First World. Drawing from theories of imperialism and varieties of Marxist theory, dependency dominated development thinking in the late 1960s and the 1970s.

Apart from some comments on India, Marx had little to say about colonialism and imperialism. He did, however, consider the penetration and transformation of the Third World by capitalism as both necessary and desirable. In his writings in the earlier twentieth century, Lenin wrote about the development of 'backward' nations, focusing

initially on the development of capitalism in Russia. He followed Marx's example in viewing capitalism as essentially a historically progressive force in Russia's development. However, by the end of World War I, he had come to revise his views on imperialism significantly. In his "Imperialism: The Highest Stage of Capitalism" (1920), he argued that the abolition of imperialism would spell the end of capitalism as a whole.

Baran (1957:55), one of the pre-eminent pioneers of the dependency approach, developed Lenin's arguments further. In contradistinction to modernisation theorists, who argued that the First World guided Third World development through aid, investment and expertise, Baran maintained that the First World actually impeded economic growth and progress in the less developed countries (LDCs) and that the faith modernisation theorists had in westernising the elites of the less developed countries (LDCs) was misplaced (Baran, 1957:55).

Baran emphasised that the less developed countries (LDCs) were characterised by dual economies: agricultural sectors with low productivity, and small industrial sectors with a high productivity. The expansion of the latter was constrained by size and by competition with highly advanced countries. This was not a particularly novel view in the 1950s; what was innovative, was his explanation of why so-called backward countries remained underdeveloped. He argued that the Third World bourgeoisie and traditional landed elites did not have a vital interest in promoting industrialisation, as this would threaten access to their traditional sources of economic surplus. Rather, they worked in tandem with foreign capital to ensure that their countries remained backward – even though much of the economic surplus was ultimately appropriated by metropolitan powers. "Though it appeared illogical, this strategy was shrewd: It impoverished most of the population, but enriched the few who applied it" (Rapley, 1996:18). Imperialism in effect inhibited the developmental workings of capitalism that Marx had identified (Rapley, 1996:18).

Ten years later, Frank (1967) helped to confirm and popularise the dependency school by extending Baran's thesis that the exploitation of the Third World continued after the end of colonial rule, and indeed became more efficient and systematic. Underdevelopment was the result of the economic capture and control of backward regions by advanced metropolitan capitalism. Unlike Baran, Frank eschewed the idea

of dualism in a society and its economy. Rather, he emphasised that the incorporation of a national economy into the world capitalist system fixed its character through a chain of 'metropolis-satellite' relations of exploitation, which bound its local economy to the capitalist metropolis. Since the 16th century, capitalism created a chain of exploitation, reaching from the centre or 'metropolis' (situated in the capitalist West) to the periphery (Frank, 1967:85).

Frank's writings led to a proliferation of dependency theses, and as in most substantive schools of thought, there are considerable variations between them. The basic premises of the dependency approach differ significantly from those of the modernisation theory. Instead of conceiving development as an 'original state', underdevelopment is viewed as something created within a pre-capitalist society that begins to experience certain forms of economic and political relations with one or more capitalist societies. Underdevelopment is not a product of internal deficiencies, as modernisation theorists tend to claim; it is a process or a state that results not so much in the absence of something as in the presence of something.

Dependency is defined in terms of the development of capitalism in a particular region, from the point of view of the relation between external and internal structures. However, this relation is analysed in different ways within this development theory. This is why, for some scholars, it is difficult to refer to a dependency 'theory'; in the best cases, it can be referred to as a 'school' (Cardoso & Faletto, 1979:85).

Following Palma's (1978) analysis, three tendencies can be distinguished in the Latin American dependency school. The first establishes that the dependency theory should not be understood as a formal theory and, therefore, with the development of general recommendations. Instead, analysis should refer to 'concrete dependent situations'. Here, we may well consult Cardoso and Faletto's work. For these authors, understanding why a society assumes a dependent form of relation implies understanding the relations between economy, society and politics. They demand the concrete analysis of each particular situation. Power relations are put in the centre of the analysis: the point is to understand how social classes are related to the dominant elites in the dependent state, and how these elites are related to central countries, making it possible that dependent conditions persisted (Palma, 1978:21).

A second tendency is related to dependency scholars such as Frank (1967), Dos Santos (1970) and Marini, whose analyses are more concerned with 'external' determinism. A general theory is formulated, which leads to the conclusion that development is impossible within a capitalistic system. In this context, development strategies are either innocuous or ineffective, at least within a capitalistic system; they will be conducive only to 'the development of underdevelopment'. Development and underdevelopment constitute two sides of the same coin: capitalism. The periphery is underdeveloped, because of the development of the Centre (Frank, 1967:63; Dos Santos, 1970:91).

Dos Santos (1970) defines dependence as a "situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-sustaining, while other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a positive or a negative effect on their immediate development". In terms of the third tendency, some ECLA's formulations have been reformulated by scholars such as Sunkel, Paz, Pinto and Furtado.

These authors concentrate on the obstacles of capitalist development in Latin America (Dos Santos, 1970:86; Palma, 1978:881-924).

Another kind of distinction has been established in terms of 'strong' and 'softer' versions of dependency theory. The strong version is associated with the work of Frank and scholars such as Amin. It portrays economic dependency as inevitably generating the development of underdevelopment, thus making development well-nigh impossible as long as it continues. The weaker version of the dependency theory is mainly associated with Cardoso (1972); Cardoso and Faletto (1979) and Evans (1979). It does not assume that dependency necessarily leads to the development of underdevelopment. Under certain circumstances, one may find what Cardoso calls 'associated dependent development' or 'dependent development'. This entails a form of economic growth stimulated by sizeable investment in manufacturing industries by multinational and transnational firms. Weak dependency theorists maintain that in recent times a new form of dependency has emerged alongside the original form. In

the classical or older form of dependency, investment was concentrated by core countries in raw and semi-processed materials and products. However, in the new form of dependency, investment occurs within the industrial sector (Cardoso, 1972; Cardoso & Faletto, 1979:671; and Evans, 1979:79).

Another variant of the dependency theory is a world systems theory, associated mainly with the work of the American sociologist Wallerstein. It aimed in part to remedy certain inadequacies of the classic dependency theory and to elaborate on the implicit notion in Frank's work that a world system existed that was based on the capitalist mode of production. Wallerstein opted for a singular world system as a unit of analysis, which represented, *inter alia*, an argument against modernisation, which tended to assume the existence of parallel nation-states. Rather than focus on the exploitation, both past and present, of certain nation states by other nation states, as in Frank's model, Wallerstein maintains that the capitalist world system as a whole develops, rather than individual societies. While the internal characteristics of societies are not unimportant, their impact is contextual and determined by that society's position in the world system at the time. The development of this system entails capital accumulation in the core countries and surplus extraction in the periphery.

Dependency has been criticised from a variety of perspectives, including Marxism. Several economists, influenced by the modernisation school, disagree with the dependency approach, arguing that Third World societies have benefitted from contact with the industrialised world. The emphasis placed by dependency theorists on equity as a central objective is seen to dampen initiative and dynamism. A skewed distribution of income in a free society, these scholars maintain, is a means of rewarding merit and productivity and developing the talents and abilities that exist, and applying them to the central needs of society. Inequality can be seen as a kind of precondition for economic progress (Cubitt, 1988:46).

Criticisms included the following:

- Despite its criticism of the failure of the modernisation theory to situate Third World societies in a historical context, the dependency theory is also ahistorical in its own way. It tends to gloss over or simplify the pre-capitalist history of these societies.

- The dependency theory tends to overgeneralise about contemporary least developed countries (LDCs).
- The bulk of the dependency school is generally too pessimistic about the possibility of economic development in LDCs.

On the one hand, there is no doubt that countries have little option but to engage with the global economy: the most isolated economies in the world, such as North Korea and Burma, are hardly flourishing. On the other hand, many of the predictions of dependency theories have become true. Structural adjustment programmes have reduced many African countries to little more than suppliers of raw materials and highly vulnerable labour to more advanced societies. Perhaps where dependency theories are most obviously wrong is that they overstate the importance of the Third World in securing Western prosperity: Africa is now so marginal in terms of global trade flows as to be insignificant in the operation of the global economy.

2.2.3 Neo-Marxist and Marxist Perspectives and Critique

Some of the most stringent criticisms and analyses of dependency theories came from the ranks of Marxist scholars. Two lines of criticism are particularly important for the purposes of this study: the Modes of Production approach, and the Classical Marxism of Warren. An area with which the dependency school never satisfactorily dealt, is that of internal class relations. As a corrective to this, and in an attempt to scrutinise the dynamics of class, social scientists returned to Marx's original formulations on the subject. Marx emphasised the way in which class relations stemmed from a particular mode of production. For a number of scholars, this emphasis constituted a key touchstone for further studies on developing countries. Building on a line of thought developed by certain of Frank's critics, there was a shift in focus from market exchange and the relationship between dependent and advanced societies to modes of production as the primary explanatory model for class dynamics (Cubitt, 1988:52-53).

The basic thesis is that capitalism has, in fact, sanctioned the survival of pre-capitalist modes, such as peasant production, as this enables the former to intensify capital accumulation. For instance, in parts of Latin America, where quasi-feudal land relations still prevail, most peasant farmers have farms that are too small to support a family, thereby obliging them and their family members to turn to seasonal wage-work

to supplement their income. This arrangement works in the favour of capitalist estate owners, who can pay low wages and piece rates rather than maintain an agricultural work force throughout the year. The continued existence of these peasant holdings constitutes a source of cheap labour, thus delivering greater profits for the capitalist and pre-capitalists modes of production. There exists then an articulation between capitalist and pre-capitalist modes of production. The capitalist mode of production is the prime beneficiary and the system establishes the dominance of capitalism over other modes of production (Cubitt, 1988:52-53).

In his posthumous work *Imperialism: Pioneer of Capitalism* (1980), Warren challenged the Leninist view of imperialism and what he saw as the pseudo-Marxist underpinnings of dependency theory. Taking his cue from classical Marxism and from Karl Marx's fragmentary comments on colonialism, he attributed the process of underdevelopment to capitalism in general (or the relative lack of it), rather than dependent capitalism.

Warren (1980) argued that the prospects for capitalist development in parts of the Third World were good and that some significant transitions in this regard had already occurred. He took a sanguine view of colonialism, which he saw as the motor of progressive social change in undermining pre-capitalist social systems and helping to stimulate capitalism. Also, the overall impact of the relationship between imperialist and developing countries is to the benefit of the latter. He emphasised that internal factors such as traditional institutions and nationalism were more obstructive to development than imperialism (Warren, 1980:78).

Warren's work generated considerable controversy in the earlier 1980s, with most left-wing writers still assuming an unequal relationship between developed and underdeveloped areas and societies. More recent research has also cast further doubt on the tenability of Warren's arguments. For example, in India, colonial era economic distortions brought with them large-scale famines, which vanished once the British departed: here, colonialism appears to have been more destructive than developmental. Even in countries such as Kenya, where colonial rule saw the introduction of modern farming techniques, national unity and decent physical infrastructure, brutalities in the closing days of colonialism (the Mau Mau rebellion was put down in a manner that approached genocide) created both short-term

demographic imbalances and long-term social divisions that have made for a weak and conflict-riven polity.

2.2.4 Regulation Approach

The influence of Marxist and neo-Marxist perspectives within development theories waned in the late 1980's and after. However, the Regulationist approach to the analysis of contemporary capitalism has continued to appeal to certain theorists of development and social change during the last decade, partly because, as Klerck (1996:111) suggests, this approach

“is neither prescriptive nor deterministic. It insists that the developmental trajectory of a particular society is open”.

Briefly, regulation theory derives from the writings of a disparate group of French scholars of the 1970s and early 1980s: whilst initially an offshoot of Marxism, regulation theory has had considerable influence in the French policy arena. What regulation theory really tries to do is explain why societies experience alternating periods of prosperity and poor economic performance. It is argued that an assembly of institutions stabilises growth on an always temporary and spatially confined basis. Hence, during the golden age of the 1950s and 1960s, specific sets of governmental policies and wider social institutions provided the basis for mass production, or fordism. Hence, two primary issues are at stake in understanding economy and society (a mode of regulation and a growth regime). Of practical policy interest is trying to identify which sets of institutions are more likely to underpin growth at a particular time (Klerck, 1996:111).

Within advanced societies, contemporary regulation theorists have sought to compare the institutional environments found in Continental Europe (social democracy) with those found in the Anglo-American world (neo-liberalism). Regulation theorists are, however, divided as to whether these two models constitute distinct growth regimes, given the continued volatility of the global economy since the 1970s. Some writers have suggested that within Britain and the United States, the present growth regime is financialisation, with economic activity centring on financial services. The deregulation of financial markets has made new patterns of investor behavior possible,

which prioritised short-term profits, leading to the downsizing of firms and their reorientation towards the maximisation of shareholder value. Others have suggested that the volatility and mediocre performance of Britain and the United States points more to a long transition than to a coherent growth regime at all.

More recently, regulationist thinking has turned to two issues: diversity within institutions and societal development. For example, Hollingsworth (in Wood and James, 2006) has argued that societies evolve in a non-linear way, characterised by both incremental development and rupture. In other words, evolution represents a complex and uneven process, unlike the linear pattern suggested by modernisation theories (and, indeed, many of its critics). This means that societies are not necessarily path dependent. In contrast, modernisation theories point to the orderly and linear nature of societal evolution. Similarly, dependency theories see the developing world as being locked in a cycle of poverty (Wood & James, 2006:49-88).

Against such viewpoints, non-linear approaches to societal development would suggest that the process of development (or regression) is considerably more unpredictable and a lot more dependent on specific interventions by individuals and associations. Failures can, through design or happy accident, become success stories. An example of this would be Ireland that, in the 1990s, transformed itself from one of Europe's poorest countries to one of its richest. In contrast, Zimbabwe has gone from one of the more prosperous countries in Africa to one of the poorest.

It has further been argued that social institutions operate at a range of levels, not only that of the nation state. Supranational institutions – such as international financial institutions – impose policies across nations. Hence, whilst having very different histories (both in the colonial and pre-colonial periods), most African countries were subject to the IMF's structural adjustment programmes in the 1990s. Within countries, regional and industry-specific institutions impose variations in firm level behaviour. Hence, for example, within South Africa, due to a specific political history, and specific regional development policy interventions, the Eastern Cape remains generally less prosperous than Gauteng.

The relevance of regulation theory in understanding the developing world is its emphasis on the temporary and contested nature of growth (most developing societies

experienced a boom in the 1960s, followed by a recession in the 1970s and 1980s) and the importance of institutions in creating the conditions for prosperity. Unlike modernisation theorists, however, regulation theorists would not see institution design as an orderly or systematic process: policy changes come about both through experimentation and serendipitous discovery. Finally, regulation theorists would caution against the universality of policy descriptions: the conditions for growth are not replicable across time and setting.

2.2.5 Business Systems Approaches

Another influential way of understanding different development paths has been through the Varieties of Capitalism (VOC) literature. The VOC literature tries to explain the coexistence of different ways of organising national economies, and, again, focuses on the webs of institutions and relations that link firms with wider society. It is argued that there is no evidence that specific varieties of capitalism, be they Continental European cooperative markets (such as Germany or Sweden) or Anglo-American liberal markets (such as the US or the UK) have necessarily better than others, but each is better at doing different things. Cooperative markets have been particularly successful in areas such as incrementally innovative manufacturing, and liberal markets within the service sector. Three criticisms can be levelled against such arguments. Firstly, they conclude that countries are path dependent and that policy interventions have little hope of shifting a particular developmental trajectory; in practice, a number of countries (for example, Ireland) have, through innovative policy interventions, radically changed things. Secondly, such arguments have tended to focus on the First World only, with little attention being accorded to the developing world. Thirdly, limited attention has been accorded to countries that neither obviously fit into the liberal market or the cooperative market frameworks.

Whitley (1999) has attempted to redress this last failing through the Business Systems theory, that identifies a number of other models of capitalism, encompassing societies in Southern and Eastern Europe and the Far East. Wood and Frynas (2006) have further attempted to broaden this analysis through the suggestion that tropical Africa constitutes a further national business system, the 'segmented' one (Wood & Frynas, 2006:239-277).

“Segmented business systems are characterized by rigid internal divisions, above all between the export and non-export sectors, often on spatial lines, with the bulk of economic activity being concentrated on the metropole and areas where export primary commodities are produced; this division and the impermeability of barriers between them accounts for some of their weak track record. Above all, the story of segmented business systems is, however, that of sub-optimal outcomes; active state interventionism in the economy in the 1960s and 1970s and the radical deregulation of the 1980s and 1990s have proved equally incapable of engendering sustainable growth, a shortfall, only mitigated by the operation of informal networks of support and exchange. Deep cleavages persist between different sections of the economy, between the activities of foreign and indigenous companies, and between different sections of the bourgeoisie and their underpinning social networks; in other words, the problem is not only one of poorly informed choices, but also bounded complementarity within and between institutions and organizations... On the one hand, external assistance or inward investment may seem to provide the most viable route out of the present impasse. On the other hand, the favourable experience of countries such as Mauritius cannot easily be replicated not only on account of the greater size of (African) economies reviewed, but also reflecting a particular set of past experiences, and the subjective reinterpretations thereof ... the optimism of the 1960s and early 1970s, has given way to deeply embedded cynicism, exacerbating centripetal pressures. Lack of diversification, the relatively small size of their economies, and a lack of political clout in most international fora, has meant that the bulk of (African) states are in an extremely poor bargaining position vis-à-vis both trading partners and trans-national financial institutions, and are poorly equipped to withstand external shocks. Above all, the African experience sheds new light on the role of expectations and past experiences in moulding the effects of national institutional structures, and the evolutionary nature of specific business systems; countries are not so much path dependent, but follow distinct trajectories characterized by both continuity and change” (Wood & Frynas, 2006:239-277).

2.2.6 Basic Needs Approach

By the beginning of the 1970s, concern grew whether underdeveloped countries could ever hope to compete effectively with northern countries, even with sizeable injections of aid. With growing global poverty, inequality and unemployment, and increasing doubt as to the efficacy of the policy application of politically grand theory, such as the full-blown modernisation and dependency approaches, international consensus among social scientists and policy makers grew as to the need to restructure and improve the nature of the development process (Harcourt, 1993:6).

The modernisation theory initially constituted something of a consensus within the orthodox development theory, but this fractured in the 1970s. Mainstream development alternatives to neo-liberalism were influenced by two important strategies: the programme for a New International Economic Order (NIEO), which was presented to the United Nations in the early 1970s; and secondly, an emphasis on the transfer of resources to the poor to provide the 'basic needs' of development.

Both strategies in their broader conception entailed a rethinking of development as determined essentially by economic growth and reflected a new awareness of ecological and environmental costs. There was extensive criticism of the West's resource-intensive lifestyle and consumption patterns. In addition, there was a shift in emphasis in development thinking, from questions of production to those of distribution. This, in turn, challenged the traditional line of development economics, which emphasised rapid economic growth as the goal of developing economies. The NIEO initiative underlined the importance of the need for the comprehensive reform of the world's economic system if development policies were to work effectively in the Third World. A series of issues informed the Programme, which included trade and monetary reform; resource and transfers from the First to the Third World; and debt relief. The success of the OPEC (Oil and Petroleum Exporting Countries) in forcing up oil prices promoted greater assertiveness among Third World countries. The growing influence of ideas from dependency theorists informed the Programme for the NIEO and helped foster a degree of unity among the disparate group of countries known as the Third World (Ray, 1990:328).

However, by the early 1980s, efforts by developing countries to establish a New International Economic Order had failed. Among the reasons were the disarray of OPEC in the 1980s and the determined opposition of the major Western powers, the USA in particular, to NIEO proposals.

The idea of a 'Basic Needs' perspective gained currency in the later 1970s and entailed a shift from grand theory to more 'practical' approaches, aimed directly at the reduction of poverty through social services, such as education, health and welfare programmes. In its early formulation, The Basic Needs' perspective was underpinned by the assumption that, following a reduction of inequality world-wide, there would be less poverty, thus rendering development a more achievable end. Debate on the concept of basic needs became widespread, with significantly different emphases among the participants. The concept was taken up by international agencies – the World Bank in particular – and by orthodox development circles, and in a reworked form entailed a more direct targeting of the poor, the setting of quantifiable indices of poverty and poverty alleviation, and a promotion of grassroots development projects. In other words, the 'basic needs' approach of the World Bank, and other mainstream international development agencies became more technical and economic in character. It was informed by the notion of 'redistribution with growth' and presumed a range of interventions by 'experts', usually from North (Ray, 1990:328).

2.3 CONTEMPORARY CURRENTS IN CONVENTIONAL DEVELOPMENT THEORY

2.3.1 Development Theory

At the beginning of the 21st century, some tension existed within mainstream development between the human and social development represented by international organisations such as the United Nations and the ILO (International Labour Organisation) and the structural adjustment and global monetarism of the IMF and most IFIs, with the World Bank no longer as close to the latter position as **previously** (Pieterse, 1998:345).

2.3.2 Sustainable Development

Whenever there is talk of stability and growth on a global level, or social justice and income distribution, or resource transfers and the gap between the haves and the have-nots, the word 'sustainability' crops up. Since the 1987 Report of the World Commission on Environment and Development (the Bruntland Report), the term is generally understood to mean the kind of economic development that meets the needs of the present generation, but not at the expense of future generations.

The concept is related to the question of whether the present prosperity level of the industrialised nations is reconcilable in the long run with the preservation of the natural foundations of life on earth, in terms of raw materials and energy, waste disposal and the protection of the biosphere. One should bear in mind that there is considerable debate about the meaning of the term 'sustainable development' among scholars, stressing the essential incompatibility of economic growth in its current forms and environmental-friendly development (Korten, 1991b:73).

The issue of authentic sustainable development problematises the aspirations of many a Third World country. For such countries, sustainable development may in the future involve a significant rethinking of traditional approaches to development. However, Western living standards tend to be the touchstone of global desire. In the industrialised world, there is much clamour for the rethinking ideas of development in the name of sustainability. However, in most countries of the South, there is usually little patience with such ideas, and a suspicion that ecological warnings are in fact little more than an effort to consolidate the North's economic hegemony. The potential for conflict is already present. Eastern Europe, most Asian countries, and Brazil and Mexico are struggling with extensive urban and industrial pollution. In the interests of current production, they are placing further pressures on the environment, which in the longer term will require massive resources to counteract the ecological damage now being done. In the rest of the Third World, agricultural and forestry resources often with key development potential, are threatened. Even more critical, is the situation in the poorest countries, where overpopulation and dire poverty virtually oblige people to deplete the environment in their struggle for survival.

In any serious attempt to find more sustainable forms of development, a central problem will be to convince socially marginalised populations to alter their behaviour. This will call for social, economic and political reforms – reforms that cannot be forced with money and that greatly exceed the mandate and powers of established organisations. Many Third World governments do not have the capacity and/or political will to impose the necessary rules and regulations. It is difficult to persuade poor communities and countries to alter their behaviour, when those countries dispensing this advice continue to engage in bad practices themselves (Korten, 1991b:75).

The United States remains the world's worst polluter, whilst all developed countries engaged in wholesale environmental destruction during their modernisation. Developed countries continue to provide insatiable markets for products secured through the destruction of Third World environments; this would range from tropical hardwood (turned into cheap furniture, building materials and even paper) to meat products, with the animals being fed on cheap food crops grown in countries such as Brazil. Much rhetoric about reducing global warming in the West has been matched by attempts to secure petrochemical stocks (worsening the greenhouse effect) through particularly destructive and polluting means: this include the extraction of tar sands in Canada (destroying forests, and requiring natural gas for refining) to biofuels (a similarly hugely inefficient energy source that diverts agricultural land from food crops).

As different authors and indicators (i.e. the ecological footprint) have demonstrated, the causes of the current ecological crisis should not be attributed to poverty but, on the contrary, to a certain unsustainable pattern of production and consumption. In this sense, contrary to the most common statements, wealth should be located in the heart of natural resource depletion and environmental pollution. Although the notion of sustainable development remains a contested terrain (Hiwaki, 1998:267), it still tends to privilege the assumption that one can somehow balance economic growth and control and/or halt environmental degradation. Economic growth is not sufficiently problematised, nor the underlying neo-classical economic discourse. There are some encouraging signs of a heightened international interest in 'deep green' initiatives. There is also more awareness among economists of the methodological limits of conventional neo-classical analysis in assigning value to environmental and ecological assets and assessing future value. But this is still a minority interest. A good deal more

attention has been paid by both economists and non-economists to refining and extending rational choice approaches in the developmental field (Hiwaki, 1998:267-280).

In this sense, for some scholars, environmental sustainability could be achieved through improving market mechanisms by assigning a market price to natural resources depletion and pollution. It is therefore possible that a certain kind of environmental degradation could be reduced. However, for others, this is not enough; sustainable development cannot be achieved by approaching ecological problems from the perspective of market rationality; it will not be achieved through changes in technical relations, but instead requires a radical change in social relations (Hiwaki, 1998:267-280).

2.3.3 Gender and Development

In recent years, there has been an increasing awareness that development has had a differential impact on the relations between men and women; usually to the detriment of the latter.

In the 1970s and 1980s, there was a new emphasis among international and bilateral agencies on gender matters in development. This shift was shaped in part by the emergence of a range of feminist and progressive social theories at the time. The major concern was that women were being overlooked or marginalised in four crucial areas, namely political rights, legal rights, access to education and training, and their working lives.

Two broad theoretical positions can be identified: the Women in Development (WID) and the Gender and Development (GAD) approaches. The former tended to coincide with positions adopted by various governments and international development organisations in the later 1970s and after, though in a somewhat diluted form. The Gender and Development (GAD) approach was shaped by the elaboration and changes proposed by academics and development professionals and activists, and have gradually/partially supplanted the Women in Development (WID) in national and international bodies.

The Women in Development (WID) approach focused almost exclusively on women. It was argued that women would not benefit from economic growth unless the entire development process was reshaped with a view to improving the condition of women in particular. A central strategy implied a 'mainstreaming' of women through their integration into economic, social and political life. There was also an emphasis on treating women on equal terms with men.

A key criticism of the Women in Development approach was that it focused more on the notion of women's exclusion from the development process than on the flawed ways in which they had been incorporated in the process. A further criticism leveled at the Women in Development (WID) perspective was that it tended not to situate women's subordination within a wider network of gender relations. There was also a growing realisation among policy makers and development agencies that addressing inequality of gender relations and the disparity between women's contributions to society and their rewards demanded a much broader approach than merely directing aid programmes to women.

The Gender and Development (GAD) approach, by contrast, emphasises that women should be incorporated into the development process in different ways to take due cognisance of class, colour, ethnic and religious and cultural factors. It also stressed that women and men's lives in their entirety should be the focus of development thinking. In recent years, there has been a shift to the alternative Gender and Development (GAD) perspective among development agencies and practitioners, but again the more critical thrust of the Gender and Development (GAD) analysis has been blunted in practice. Also, the problem with the Gender and Development (GAD), according to some critics, was that it allowed more conservative approaches to dominate and some of the cutting edge of the feminist theory that informed the earlier WID approach to be diluted.

The emphasis in recent years has been to move beyond fixed positions. Key research themes include the gendered consequences of structural adjustment; the re-visiting of women's work; the international division of labour; and exploring the complexities of the relationships between development, gender and globalisation.

2.3.4 'People-centered' Development

This broad perspective in the early 21st century represents both mainstream and formally 'alternative' perspectives regarding the importance of looking beyond traditional economically oriented indicators and definitions of development. It represents, *inter alia*, an expanded dimension in the relevant United Nations development agencies, as well as a number of international development bodies. The perspective emphasises, *inter alia*, the need to build human resources and capacity; the need for more decentralised and participatory forms of development policy and application; the need to utilise more efficiently the various institutions and organisations of civil society (including NGOs); and according gender and human rights a higher priority than previously.

In the 1970s and 1980s, there was probably a greater division between mainstream developments and 'alternative' forms of development. More recently, the boundaries have become blurred, as mainstream development thinking has incorporated various aspects of alternative development, such as equity, gender, sustainability and participation, though these emphases have often been diluted in practice. The second half of the 1980s and earlier 1990s saw a growing systematisation of work on people- and human-centered development, and this was taken up in part in several bilateral and international development agencies, including the United Nations development wing.

The First Human Development Report of 1990 prepared by the United Nations Development Programme (UNDP) aimed for a more comprehensive concept of human development, which it defined as a process of enlarging people's choices (Martinussen, 1997:38). The UNDP's 1990 Human Development Report incorporated central features of the people-managed strategy (UNDP's Human Development Report, 1990:332; Martinussen, 1997:38).

Human or people-centered development has assimilated some of the themes of the basic needs theory and incorporates a range of material from 'alternative' development thinking (Pieterse, 1998). It emphasises that growth without equity and some form of redistribution of wealth and resources does not necessarily constitute development. There is also recognition that poverty is not an issue of poor material living standards

only, but also of lack of choice and capability. Therefore, development also means restoring/reclaiming and reinforcing basic human capabilities and freedoms. As empowerment, participation and freedom of choice have a political dimension, there is consequently a greater emphasis on the processes of democratisation at local and national levels. A related theme is the building of a more vigorous civil society in the various countries – a step that is essential to the construction of a more robust democratic political culture. It also incorporates the notion of sustainable development (in its less contentious guises) and takes cognisance of the growing importance of gender in development thinking by emphasising the relatively equal status and participation of women in society (Martinussen, 1997:331-342 and Pieterse, 1998:29).

According to a number of critics, there is an inherent vagueness about the ‘human development’ approach, which makes it difficult to find specific policy expression. Also, as Pieterse (1998) points out: “Human development, while it endorses some of the same principles as popular development, remains on the whole state-centered, top-down social engineering, in which the state is viewed as the main agent for implementing human development policies.” More broadly speaking, such approaches take little account of the gross imbalances in the global economy that will inevitably constrain the impact of local – no matter how well-intended – interventions (Pieterse, 1998:29).

2.3.5 Neo-Liberalism

By the late 1970s, prescriptions for an interventionist role for the state had become tainted by the excesses of statist experiments, and by the declining influence of the left at national and international levels. The 1980s witnessed the declining influence of Keynesian economics and the paring down of the welfare state, coupled with the resurgence of neo-classical economics and the New Right social theory, which emphasised the role of the market. Persistent recession has discredited Keynesianism and allowed conservative governments to experiment with more radical market driven alternatives than would previously have been acceptable. Despite their poor track record – Thatcherism led to the wholesale destruction of decent jobs and large areas of British industry, whilst Reaganism similarly brought about rising inequality and structural balance of payment difficulties – neo-liberal policies were imposed on the Third World, with little regard to their potentially adverse consequences. As noted

earlier, the declining Soviet power allowed a far harder line to be adopted towards Third World governments: aid gave way to demands for debt repayment and austerity. Hence, an emphasis on market-driven public policy in the North impacted on development theory and policy, and influenced the thinking and activities of the IMF and World Bank. The latter institution shifted from a basic needs perspective to one directly informed by a neoclassical agenda.

The global economic recession of the early 1980s, declining commodity prices, and mounting Third World debt were particularly decisive in the policy shift. This situation obliged the majority of Third World nations to turn to the World Bank and the IMF for financial assistance. This funding, in turn, was usually conditional on the recipient country shifting to outward-oriented and market-liberalising development policies, no matter whether or not the debts had been run up by Western imposed dictators (such as Idi Amin or Mobutu).

Neo-liberalism or market liberalism became the dominant view of development, especially in the industrialised West and in several of the more influential international bodies in the development field, most notably the World Bank and IMF. The proponents of this view can be traced back to advocates of 'free enterprise' in the 1950s, who could in turn trace their intellectual ancestry back to Adam Smith.

An important feature of neo-liberalism is regulation through the market. Individuals and groups of individuals act in a rational manner to maximise their material interests or 'utility'. It does not matter who these individuals are: owners of property and/or capital; consumers; or even politicians and bureaucrats. Indeed, the underlying philosophy here is one of individualism.

Market competition is crucial and is acknowledged as the motive power behind economic growth and progress, and by implication development. In a context of market competition, to expand and innovate are the most likely ways to secure continued profits. Growth will usually involve larger economies of scale, and innovation the investment of additional capital in production, which in turn will contribute to improved labour productivity. Successful capitalists will be able to benefit from a self-reinforcing cycle: profit-accumulation-growth-innovation-increased productivity-increased profits and a reinvestment in the business cycle (Thomas and Potter, 1992:134). The

competitive process will then penalise any departure from rationality among producers or consumers by driving them out of the market altogether (Thomas and Potter, 1992:134).

The system outlined above is seen to be beneficial to society as a whole. It provides the scope for hard-working and entrepreneurial individuals to flourish and the benefits of their work to percolate through to others via the workings of the 'invisible hand' of the economy. It was argued that prosperity would trickle down through society: ultimately, despite rising inequality, even the poorest would benefit from neo-liberalism.

////Neo-liberalism embodies certain assumptions about the psychological makeup and motivations of individuals. The market is seen as providing relatively equal opportunities to those that enter it, with the corresponding objective of the distribution of rewards to those working within it. Success is related to the merit and enterprise of the individual. A key feature of neo-liberal thought is the notion of entrepreneurs working through an increasingly dynamic market as the driving force for development, leading to changes in the social and political spheres. There is a strong resonance here with the earlier modernisation perspective (ibid). There is also optimism about the benefits of greater involvement in international trade which, it is assumed, will serve to stimulate national economies. In addition, many advocates of neo-liberalism also emphasise the importance of pluralist parliamentary democracies to economic development.

This neo-liberal approach to development manifested itself in the 1980s and 1990s in the structural adjustment programmes (SAPs) of the IMF and World Bank. Structural Adjustment Loans provided by the World Bank and IMF, and major bilateral donors in certain cases, constitute a set of 'free market' policies obliging borrowers to cut back on state and public spending, raise interest rates, open up their economies to foreign business and trade, and boost foreign exchange earnings by promoting exports. Many Third World countries have implemented SAPs of one variety or another, with the result that "most of the Third World has become a laboratory for a huge experiment in neoclassical theory." (Rapley, 1996:76). The main areas of implementation have been that of fiscal austerity, privatisation, trade liberalisation, domestic market liberalisation,

currency devaluation, the abolition of marketing boards, retrenchment and deregulation (Rapley, 1996:76).

While certain developing countries were able to show some benefits from the process, generally the measures have been problematic, especially in many of the poorer indebted countries. Currency devaluation and fiscal deregulation have not led to significant investment by Northern countries, nor stemmed the flight of capital from Third World countries. Also, trade liberalisation and increased emphasis on export-led growth has not seen a shift to more value-added manufacturing, but rather a continued reliance on the export of commodities and semi-processed goods that fetch low prices in real terms on international markets. Indeed, increased production for world markets has seen the intensified exploitation of natural resources and accompanying environmental degradation.

Particularly disturbing is the fact that adjustment programmes have not eased the debt burden of Third World countries. In fact, this debt has escalated, and a growing number of scholars have questioned the nature of the international financial regime – in which the IMF and World Bank play pivotal roles – which is tilted in favour of OECD countries.

Structural adjustment programmes have forced ruinous cutback educational and health care spending in many developing nations, making it very much harder for countries to bolster their skills bases and break the spread of large-scale epidemics. Finally, the denegation of the developmental state has led to the proliferation of corruption: if the state is seen as of little worth, then helping oneself to state resources becomes more appropriate. Certainly, even the World Bank and, to a lesser extent, the IMF, as well as other bilateral and multilateral lenders, have acknowledged shortcomings in the conception and application of neo-liberal approaches, including SAPs. The shift to a approach in terms of which policies are tailored to countries through Policy Reduction Strategy Papers appears to have made little difference in practice: reforms do not necessarily mean a qualitative shift from many of the key principles of this approach. And though there is something of a reworking of the neo-liberal approach by the World Bank, one needs to bear in mind that there is still emphasis on continued debt repayments to the North and a continued support by the major international financial institutions for the idea of open national economies and the unfettered play of market forces at international level.

While neo-liberalism has strong connections with the modernisation perspective, there are certain differences. For one, modernisation did not emphasise the need to dramatically cut back the state. It was deployed at a time when there was a perceived need for systematic planning and interventionism by the state, along with relatively substantial and systematic inputs of foreign aid by bilateral and international aid agencies, to help accelerate modernisation and development. Also, modernisation theory represents a somewhat more diverse body of theories with greater intellectual input from social sciences other than economics, whereas neo-liberalism was underpinned mostly by neo-classical economic theory, based on the view that society is composed of rational, profit-seeking individuals. More recent research has attempted to infuse some understanding of institutions into rational choice theories: this has primarily taken the form of a look at the beneficial effects governments would 'gain' better in securing private property rights (North, 1981:78).

2.3.6 Social Capital

The later 1990s witnessed growing doubts as to the wisdom of unfettered neo-classical and market-oriented prescriptions for development in international development agencies, the World Bank in particular. In 1998, Stiglitz, Head of Economic Research at the World Bank at the time, predicted the end of the emphasis on global monetarism of the 'Washington consensus' and anticipated an alternative paradigm, a 'post-Washington consensus'. His central thesis was that developmental strategies, while utilising the play of the market, had to build on the work of the state and civil society structures.

This shift of *rhetoric (but, ultimately, not practice)* within the World Bank should be seen against a backdrop of shifts within economic theory more generally and the emergence of a new variant of development economics with a neo-classical underpinning. For decades, economic growth theorists have fastened on capital accumulation as the vehicle for growth. More recently, there has been an extension of endogenous growth theory, i.e. the recognition of a greater range of factors internal to an economy that can promote economic growth. Among the new endogenous factors emphasised, are the presence and absence of knowledge and functional networks of trust, as crucial in economic performance (Barrett, 1997) – which are also known as the 'immaterial' factors of development (Barrett, 1997:34).

Development economics traditionally focused on what governments and markets could and could not do to improve welfare in developing countries. Recently, however, development economics has been increasingly concerned with what organised civil society can achieve as a development agent. There is a growing realisation that neo-classical economic theory has to incorporate a range of new concerns and processes into its models. These include economic problems that neither the market nor the state can absolve. Examples are the internalisation of ecological deterioration, the provision of local public goods, and the access to credit by the poor, which neither the market nor the state can reliably solve. In solving such economic problems, organised civil society could play an important role as a complement to (and sometimes as a substitute for) the state and markets (Molinas, 1998:413).

Studies in this new approach are often accompanied by sophisticated econometric modelling, but critics have argued that such an approach, relying on the notion of individual utility optimisation, has a positivistic slant (Jackson, 1996:236), and tends to provide a simplistic version of social life and social conflict (Jackson, 1996:236; Fine, 1998a:76).

Moreover, it is argued that instead of introducing 'social' issues in what has been a more traditional economic approach towards development, it has allowed –

“the ‘social’ to be mopped up in an all-embracing notion that complements rather than challenges its economic analysis (...) Social Capital explains what is otherwise inexplicable (...) it is attractive because of the scope of its application (...) Social Capital has a gargantuan appetite (...) it can explain everything from individuals to societies whether the topic be the sick, the poor, the criminal, the corrupt, schooling, community life, democracy and governance, any aspect of social, cultural and economic performance and equally any time and place” (Fine, 2002:2-5).

This form of analysis has meshed with the increasing use of the notion of 'social capital' in development circles since the mid-1990s. The term has diverse intellectual origins and a variety of meanings. In part, the idea of social capital is a reflection of work within the 'new economic sociology', which has contributed to our understanding of the ways in which the construction and maintenance of the economies in capitalist

societies is closely tied up with the building of state and civil society. An important contribution in this regard was Granovetter's pioneering (1985) study on the 'embeddedness' of economic behaviour in networks of inter-personal relations, which served to re-emphasise the importance of factors such as mutuality, trust and cooperation.

More generally, social capital of a productive nature is usually seen to be composed of a number of aspects, including a high level of civic engagement in public affairs; horizontal relations of reciprocity and cooperation, rather than vertical relations of authority and dependence; networks of solidarity, trust and tolerance; and high levels of participation in various kinds of voluntary associations.

The nurturing of social capital is, of course, a complex and slow process: structural adjustment programmes have made it very much more difficult.

2.3.7 Whither Development Studies

The early 21st century is witnessing a distinct reconfiguration of the terrain of development studies and development theory, more specifically. A key trend is emerging in the social sciences is the increased contestation between rational choice and institutionalist perspectives. With its avowed inter-disciplinary nature and substantive socio-technical side, the terrain of development studies is particularly significant in this escalating conflict. One possible outcome is that development studies may become more authentically trans-disciplinary and a more active recipient (or consumer) of theory developed in more conventional disciplinary groupings.

The rational choice perspective is grounded on the assumption of the utility-maximising and 'rational' activity of individuals and groups in a range of political, social and economic settings. This broad-based approach predicated on the extension of the models and methodological individualism of neo-classical economics and has expanded its influence during the 1990s within the social sciences in general, growing criticism notwithstanding (Leys, 1996). Within mainstream development and practice over the past few decades, the influence of non-economic social sciences has declined. Furthermore, development economics, originally conceived of as an extension of traditional institutionalist economics and political economy, has lost a

good deal of its analytical distinctiveness from neo-classical economics. A further significant shift was the contextualisation and conflation of development issues with the assumed imperatives of a global economy.

Despite the proclaimed advent of the 'Post Washington consensus', and a growing emphasis in World Bank and IMF circles on governance, state reform and the exploration of social capital, there appears to be little in the way of a paradigmatic shift that would open up dialogue with critical institutionalist and political economy perspectives. Admittedly, there has been something of a shift within the IFIs from a strict neo-classical orthodoxy to an approach that pays more attention to the complementarity of state and market, as well as the phenomenon of 'market failures' in developing countries (Fine 1998a; Moore, 2001). However, despite the growing sophistication of neo-institutional economic models, they are still primarily underpinned by a methodological individualism and a notion of utility optimisation (Fine, 1998a). Their general failure does not seem to have deterred their adherents in the slightest: the continued resilience of rational choice approaches in development theory and policy is related in part to the relative homogeneity of the discipline of economics and the prestige of economists in policy advocacy in both developed and developing societies (Fine, 1998a:31; Moore, 2001:53).

The institutionalist perspective in development studies, more diverse than rational choice in disciplinary and trans-disciplinary inputs, lost some direction and focus in the 1980s and 1990s. This was in part a reflection of the increased attraction of rational choice approaches, *and the fact that some writers in the rational choice tradition – such as North – infused aspects of institutionalist thinking through their emphasis on the role of governments and broader social institutions in securing growth. However, such analyses focused primary on the importance of private property rights and did little to further advance understanding of the potential of the state as an active agent of development.*

The decline of Marxist scholarship, powerfully symbolised by the creation of methodological individualist versions of political economy, was a contributory factor *in the rise of rational choice approaches*. Declining university and research funding for Third World studies, and the corresponding growth in postgraduate business schools reinforced a shift to more conservative forms of neo-classical economic analysis.

By the end of the 1990s, however, a range of new intellectual activity could be detected along the institutionalist front. Among the themes are the following:

- A re-discovery of the centrality of a historical understanding of the particularities of developing and transitional societies and regions.
- An upsurge of interest in the workings of identity politics at sub-national, national and regional levels.
- A self-conscious return to more classical forms of political economy, including a rehabilitation of Marxism.
- The development of the varieties of capitalism literature and regulation theory.

All these themes are caught up in the broad sweep of Hardt and Negri's *Empire* (2000). Perelman's work on the history of primitive accumulation has contributed to a renewed interest in early dependency writers and macro development paths to capitalism (Perelman, 2000). More specialised studies on issues such as Marx's later views on colonialism are also of relevance (Tairako, 2001:32). At a more popular level, De Soto's *The Mystery of Capital* (2000) places quasi-marxism in the service of Third World popular capitalism. Although its overall message is ideologically ambivalent, it does draw attention to the rich vein of social enquiry outlined in the social science classics (Perelman, 2000:23; Tairako, 2001:32).

In addition, from a somewhat different institutionalist perspective, the new business systems approach of Whitley explores development trajectories within specific institutional contexts and analyses variations in institutional embeddedness; *the relevance of this approach to understanding the Third World was dealt with in an earlier part of this document. Alternative strands of contemporary institutionalist thinking would include developments and extensions of regulation theory to take account of internal diversity within national economies, and the uneven, non-linear and contested nature of systemic development and change.*

Also worth considering are the emerging syntheses within the field of development studies, such as the growing sub-area of development and conflict (Unruh, 1996:14). At a deep-rooted level, it illustrates the structural and conflictual elements deforming or retarding development. Because development is almost always an uneven process, it inevitably involves questions beyond simply who benefits, but also demands

answers to questions such as who benefits first, or most. These questions often bedevil development projects at the practical level and lead to intense conflicts and delays in benefits to all concerned. Typically, the conflict associated with development is multi-faceted and needs careful analysis. And at an applied level, there is the possibility of using conflict resolution techniques as an integral part of the policy process, especially at meso- and micro levels (Unruh, 1996:14).

A related area of interest is the study of the relationship between development and military spending and militarism (Williams, 1983). The research of Brauer on the impact of the military on the environment is the kind of conceptual contribution that should be integrated into a radical rethinking of contemporary development studies.

More synoptic syntheses are required, however, to ensure the epistemological competitiveness of the institutionalist approach. Critical political economy provides some kind of bridgehead into the terrain of economics and the possibility of contesting the dominance of rational choice models. Nevertheless, development theorists of an institutionalist bent could profit from a closer partnership with social and other dissident economists. Work by feminist economists on the use of narratives to involve target groups in scenario-building exercises to develop sustainable rural development policies, is a case in point (Williams, 2000:15).

A growing emphasis in economic policy literature is the role of the state and society in economic governance and development. The growing movement of social and institutional economics and a revitalised economic sociology have, for instance, emphasised that, beyond market and state institutions, a variety of intermediate organisations, institutional structures and practices exist, as well as modes of thinking and cultural values that deeply condition economic life. Practitioners and policy makers influenced by such perspectives are rethinking the ways in which state and non-state institutions can intervene in economic and development policy.

A related development is the growing discourse on social capital. The relatively recent exploration of the notion in academic development research has been taken up by policy-orientated development institutions, such as the World Bank, the UNDP and the OECD (Woolcock, 1999:87).

2.4 BEYOND DEVELOPMENT

2.4.1 Alternative Conceptualisations of Development

While mainstream approaches to development tend to focus on the market and the state, alternative conceptualisations of development are mainly characterised by a shift away from this focus on the state and the market to heightened attention to civil society. By their focus on the social life of individual citizens and civil society, the so-called alternative approaches do set themselves apart from the hitherto dominant positions in the international development debates.

The alternative approaches are generally more explicitly normative than most mainstream theories. They deal with development, not only in terms of causal relationships, but also in terms of what kind of development is preferable, as seen from the viewpoint of various social groups, or from the perspective of equality, justice, self-reliance, environmental sustainability, or cultural pluralism. In many regions of the Third World, conceptions and ideologies of development have emerged as countervailing and very fundamental alternatives to Western thinking. These include Gandhi's social and political philosophy, Islamic fundamentalism, Islamic socialism, the theories of Fanon and others on alienation and suppression, African socialism, and Mao's special variant of historical materialism.

Martinussen (1997:19) identifies two types of alternative approaches. The distinguishing characteristic of the first type is its focus on a *redefinition of development goals*. These approaches, after having established different goals, deal extensively with how to measure and promote societal change towards achieving alternative goals. The most influential of the proponents of such an alternative approach is the capability approach developed by Nobel laureate Sen. Other influential scholars include Seers, Streeten, UI Haq and others who rejected economic growth as an end in itself, and instead emphasised welfare and human development. These theorists at the same time turned their attention to social inequality and poverty, and to looking at development as a process that had a different meaning and implication for different social groups. However, they did not reject the whole body of mainstream economic development theory, but rather tried to supplement it in certain essential respects (Martinussen, 1997:19).

The theoretical roots of this redefinition of the goals of development and the accompanying focus on the social aspects of the development process and its results can be traced back to John Stuart Mill (1806-1873) and the social liberalism of the 19th century. In a shorter time perspective, the roots can be identified as being grounded in the economic development debates of the 1960s and 1970s. Seers are one of the early scholars associated with the efforts to redefine development. In a famous and often quoted speech, Seers stated that the three critical questions in the debate on alternative development were: (1) *what has been happening to poverty?* (2) *What has been happening to unemployment?* and (3) *What has been happening to inequality?* Only if progress has been recorded in respect of all three these issues, can one truly speak of development.

In the second type of alternative approaches, Martinussen discerns, the whole perspective and focus shifts towards civil society. This group of approaches is therefore referred to as *theories of civil society*. Some, predominantly normative, theories of civil society have gone as far as to revive romantic conceptions of local communities as sufficient bases and frameworks for human welfare. They contend that the state is part of the problem and should be avoided as much as possible. They regard the establishment and strengthening of autonomous local communities as both a means to promote human well-being and as an end in it.

This radical approach has met with some strong criticism. Friedman has criticised this on the grounds that it is a naive belief that alternative development can be created and sustained in small local communities and in consistent opposition to the state. Friedman's point in this context is that although an alternative development must begin locally, it should not end there.

The roots of theories of civil society may be traced back to conservative romanticism and utopian socialism, which were both normative reactions against the emerging capitalist society and the accompanying centralisation and institutionalisation of state power in the 19th century. These two ideologies promulgated ideas about a better society. The basic pre-occupation with and positive assessment of small local communities can be identified in many contemporary alternative development conceptions and theories. In Western political theory, there is a long tradition of

constructing concepts and theories, with an emphasis on civil society going back to the ancient Greeks, Hegel, Marx and Gramsci.

In a shorter time perspective, theoretical heritage can be traced back to anthropological studies, and Karl Polanyi's theory of different forms of economic and social integration and distribution. For Polanyi, the market system was only one among several forms of integration and distribution. Other mechanisms for distributing products and services were based on reciprocity, or on various religious or political principles for sharing burdens and benefits. Notions of reciprocal exchange have inspired recent theory formation and studies of exchange processes in civil society like Hyden's (1983:14) 'economy of affection', or Scott (1976:29) concept of 'moral economy' (Scott, 1976:29; Hyden, 1983:14).

2.4.2 Globalisation

The decline and demise of the USSR and the shift from state socialism in various Eastern European and Third World countries in the late 1980s and after have seen development theory and practice become more susceptible to the assumptions of a capitalist global system. Globalisation has become the watchword of the international community in the 1990s and in certain respects has supplanted development as a touchstone in North-South relations (Amalric & Harcourt, 1997:3). There are various dimensions to globalisation, and the broad development community has not fully established a position in regard to this process. Certainly, it does carry significant implications for the conception and implementation of development policy (Amalric & Harcourt, 1997:3).

Globalisation is both process and concept and has a variety of meanings and ideological interpretations attached to it. It is nevertheless important to try to contextualise it and arrive at a working understanding of the concept, as it impacts significantly on the conceptualisation and implementation of development in the early 21st century.

The last decades of the twentieth century witnessed an explosion of publications with regard to the concept of globalisation. Highlighted from almost any possible perspective, some state it may well have been "*the* concept by which we understand

the transition into the third millennium” (Waters, 2001), although it might also be one of the most contested ones (Guillén, 2001:16). Globalisation has become a buzz-word, a vague term, an umbrella construct encompassing conflicting visions, based on selectively cited empirical data supporting their respective positions (Fiss & Hirsch, 2005). Ranging from a positive, messianistic perspective (Levitt, 1983; Ohmae, 1990), over all kinds of intermediate positions to an overly negative perspective (Kennedy, 1993; Cox, 1996), these publications seek to frame and explain current social, economical, political and cultural processes and their effects on the individual and (the global) society as a whole (Levitt, 1983:34; Ohmae, 1990:24; Guillén, 2001:16).

Society is hereby depicted as subject to a universal and impersonal (Kearney, 1995) 'force of nature' (Othman & Kessler, 2000), called globalisation. Describing it either as civilising, destructive or feeble, most authors agrees on the changing nature of the world (Guillén, 2001). The key idea here, the leading thread running through views expressed in the debate on globalisation, is the notion of transition. Globalisation tends to be defined in terms of global cultural flows (Appadurai, 1996), leading to more cultural heterogeneity (Featherstone, Lash & Robertson, 1995; Huntington, 1996) or to increasing cultural homogeneity (Greig, 2002), in terms of the creation of a global society (Giddens, 1990); in terms of the changing roles of countries in the international division of labour (Wallerstein, 1979); and in terms of a transformation informed by a global capitalist project, culturally-ideologically imbedded in consumerism (Greig, 2002:27; Guillén, 2001:12; Othman & Kessler, 2000:41; Appadurai, 1996:21; Huntington, 1996:32; Kearney, 1995:6; Featherstone, Lash & Robertson, 1995:18; Sklair, 1995:17; Giddens, 1990:13; and Wallerstein, 1979:52).

Globalisation as social theory assumes the emergence of global culture through a range of developments such as satellite and high-tech global information systems (the 'global village' of McLuhan); globalised patterns of consumerism; the growing appeal of a universalised wealthy 'cosmopolitan' life style; global sport; the relative decline of the sovereign nation state; the growth of regional and international economic and political agencies; and extension of the notion of human rights (Albrow & King, 1990). A central theme in globalisation studies is the heightened awareness of the world as a single place. Globalisation is usually seen as distinct from the world systems theory, which tends to view cultural globalism as essentially a consequence of economic

globalism. In addition, the globalisation theory should be distinguished from the modernisation theory, which assumed the convergence of nation-states towards a universalised form of industrial society. Some globalisation theorists argue that globalisation embraces two contradictory processes of homogenisation and differentiation seen, for example, in the advance of multiculturalism and the demand for cultural pluralism in unitary nation states. The complex interrelationship between localism and globalism (sometimes referred to a 'glocalism') is also noted, as well as social movements in resistance to it (Albrow & King, 1990:12).

An interesting contribution was provided by Beck (2000), who established Globalisation and Globalism as two differentiated concepts. On the one hand, globalism refers to the ideology of global market domination. Markets are regarded as the only 'regulators' of the globalisation process. In this sense, as Beck argues (Beck, 2000:44):

"La hipocresía del globalismo acentúa las asimetrías de la globalización" [globalism hypocrisy increases globalization asymmetries]. Many authors refer in this way to the hypocrisy of rhetoric globalism, because while discourses give priority to the 'free market' play; on practice, trade tariffs and migration restrictions are increased. In this sense, for many critics, not everything is globalised in the so called 'global' World. Present globalisation should be called globalism.

There is some degree of consensus among analysts of globalisation that it is concentrated in the economies of Europe, North America and Japan (the 'triad of power'); that the North-South gap is narrowing for some countries, but widening for most others; and that delinking from the world economy is not really viable (Pieterse, 1997:371) . For economists, particularly, globalisation entails the removal of national barriers to the workings of capital markets that also emerged in the early 1980s. This shift has led to simultaneous dealing in the money and stock markets of New York, Chicago, London, Tokyo and Frankfurt, to such an extent that the operations of these markets and the mobility of capital is beyond the scope of control of any one national agency. And probably the most far-reaching aspect of globalisation is indeed this fiscal dimension, which has led to a drive for unfettered capital markets and the spectre of anarchic market forces. On a more ideological level, the invocation of globalisation

has tended to legitimate neo-liberal theory and practice – in both developed and developing countries (Pieterse, 1997:371).

Other dimensions of globalisation have been explored by Castells (2000), under what he refers to as the 'rise of network society'. Castells argues that our societies are each day more structured under a bipolar opposition in terms of the network and the individual. He highlights the role of new information technologies in the creation of wealth, power and images global networks. These networks can "activate or deactivate selectively the participation of subjects, groups, regions and even countries" according to their relevance for the achievement of instrumental objectives.

Despite formal growth in the world economy in recent years, poverty and income inequalities have increased globally. Social and economic inequalities have also grown in the relatively rich OECD countries. There is also an increasing concentration of capital in Northern countries, which is a shaping force in the drive to globalisation (Youngs, 1997:17). As the world shifts to the increasing commodification of intellectual knowledge, the disadvantaged position of most developing countries is in effect sustained (Youngs, 1997:17).

Given the fact that globalisation has a strong private sector element there is a high level of concern regarding the seemingly uncontrolled nature of market forces on an international stage. Scholars such as Korten (1991a) have stressed that the growing trans-nationalisation of capital in the late 20th and early 21st centuries has brought with a diminished sense of responsibility for the national economies by the economic and financial forces concerned – both in regard to human rights and global environmental management. In this sense, some authors refer to globalisation from the top. At the same time, contrary forces to that process are developing: bottom globalisation, to reshape the process so that social and economic changes do not imply more marginalisation and poverty (Castles, 1998:42). There are increasing signs that local communities, ethnic minorities, civil society and NGO networks are attempting to resist or reshape cultural and economic forms of globalisation. Particularly relevant in this context is the initiative of the WSF (World Social Forum) with its logo 'Another World is possible' (Korten, 1991a:16; Castles, 1998:42).

2.4.3 Postmodernism and Post-development

The term 'postmodern' is often applied in a vague or imprecise way to social and political practice. There are differing strains within this perspective, but there is a degree of consensus that writings by Francois Lyotard and Jean Baudrillard have been influential in shaping this field. Certain works and writings by post-structuralists such as Jacques Lacan, Roland Barthes, Michel Foucault and Jacques Derrida have contributed to the body of postmodern social theory. Lyotard refers to the end of 'grand narratives' – the end of attempts to make some kind of overall sense of history. The notion of development as a universalised path of human progress is one such example. In postmodern social theory, there are no universalised criteria of truth, and claims to knowledge are always contextual. Contemporary social institutions and practices are profoundly structured by the massive expansion of consumer society and the disintegration of more stable forms of production and political and industrial relations.

The consumer society is rootless, and everyday experience within it is influenced, mediated and fractured by a variety of sources of communication, especially of an electronic form. Postmodern thought has a differential application. In 'harder' forms, postmodernism contributes to the concept of 'post-development', in which the idea of reasoned and critically-oriented planning for and reflection on improved socio-economic and political conditions for humankind is seen as an exercise in futility. It questions the *sine qua none* of development theory and policy. Developmentalism, the language of development, is seen as Universalist, teleological and ethnocentric; it is presented and taken as a recipe for social change, while it is in fact a "discourse of power". Whilst critical of the *status quo*, such approaches are not always very helpful in advancing practical knowledge and understanding. At the worst, such approaches can be politically debilitating: If working for change cannot resolve the problem of large scale power imbalances in society, then it is not worth trying to reform things.

In its 'softer' variants, postmodernism can alert scholars and policy makers to the variety and diversity of forms of knowledge, as well as the need to locate and learn from indigenous knowledge and to take more cognisances of localised groups and the plurality of cultural practices and preferences.

Taking more heed of the voices of marginalised peoples and minority groupings could contribute to a more empowering and creative approach to empowering women, and taking gender identities and gay rights more seriously. Such an approach is not that far removed from older progressive development theory emphasising the importance of consultative and participatory approaches to development, but the analytical and ironic style of postmodernist thought does provide more theoretical legitimation for exploratory and experimental forms of development theory and practice. Influenced by post-modern theory, which had problematised the notion of the universalised human progress, and the intensified globalisation of economic and social life in the last decade of the 20th century and the early years of the 21st century, a heterogeneous perspective, known as post-development, emerged in the late 1980s.

Also referred to as 'anti-development' and 'beyond development', Pieterse (1998) typifies post-development as 'a radical reaction to the impasse of development theory and policy' (p. 360). He argues that an extreme dissatisfaction with business-as-usual and standard development rhetoric and practice, and disillusionment with alternative development, form the backbone of this position. Development theory and practice are rejected, because it is the "new religion of the West" (Rist, 1990), because it is the imposition of science as power (Nandy, 1988; Rist, 1990), giving rise to 'laboratory states' (Visvanathan, 1988); because it simply does not work (Kothari, 1988); because it means cultural westernisation and homogenisation (Constantino, 1984); and because it brings environmental destruction.

'Post-development' starts out from a simple realisation: that attaining a middle-class lifestyle is impossible for the majority of the world's population (Constantino, 1984:97; Dasgupta, 1985:177; Nandy, 1988:145; Visvanathan, 1988:241; Rist, 1990:15; Pieterse, 1998:360).

Contextualising the emergence of the post-development movement, Escobar (2006) states that during the last 50 years, conceptualisations of development have seen three main movements, corresponding to three contrasting theoretical orientations which can be classified according to their underlying paradigms (Escobar, 2006:447-451).

- In the 1950s and 1960s, the modernisation theory, with its related theories of growth and development (liberal theories).
- In the 1960s and 1970s, the dependency theory and related perspectives (Marxist theories).
- In the second half of the 1980s and the 1990s, coinciding with the 'cultural turn' in social sciences, critical approaches to development as a cultural discourse (post-structural theories).

The modernisation theory received a first blow from the dependency theory, for which the problem was not development *per se*, but rather capitalism. A second blow came in the 1980s, when a growing number of cultural critics questioned the very idea of development. Development was analysed as a discourse of Western origin that operated as a powerful mechanism for the cultural, social and economic production of the Third World.

The deconstruction of the development promise led post-structuralists to postulate the possibility of a 'post-development era' (Escobar, 1992). The post-development school, however, did not produce a uniform set of theories. For some, this notion meant that development would no longer be the central organising principle of social life (Escobar, 1995). Others emphasised the re-valorisation of vernacular cultures, the need to rely less on expert knowledge, and social movements and grassroots mobilisations as the basis for moving towards the new era (Rist, 1990:87; Shiva, 1993:154; Rahnema & Bawtree, 1997:67).

Unifying the post-development school is criticism of the underlying assumptions of development. Issues of power, domination and resistance come to the foreground as, it is argued, development comprises a set of knowledges, interventions and world-views (a discourse), which are also powers to intervene, to transform, and to rule. Development is not a neutral vision, but embodies geopolitics, enacted and implemented through local elites (Sidaway, 2008:175).

In the second half of the 1990s, however, these criticisms became the object of criticism themselves. Escobar (2006:449) argues that this may be seen as a fourth moment in the historical sociology of development knowledge. As Sidaway (2008:175) notes, it has been argued that many of the critiques put forward by post-development

theorists are actually reformulations of past scepticisms and alternatives that have long been evident. For instance, throughout the 20th century, ideas of self-reliance and basic needs have also been sceptical of many of the claims of development (Escobar, 2006:449; Sidaway, 2008:175).

Dependency theory has also been, in part, a rejection of Western claims of development as a universal panacea to be implemented in a grateful Third World. Furthermore, dependency theory sometimes took the form of a rejection of Western modernisation as corrupting and destructive or as a continuation of colonial forms of dominance. Marxist accounts have long pointed to the uneven character of development and its highly contradictory consequences. Feminist scholars have criticised development for its representation of Third World women as needing Western 'liberation'. Hence, some critics claim that post-development is not beyond or outside the development discourse; and thus merely constitutes a new episode in the debate.

Escobar (2006:453) discerns three fundamental objections to the original post-development proposals:

- With their focus on discourse, the post-development theorists overlooked poverty and capitalism, which are the real problems of development.
- They presented an over-generalised and essentialised view of development, while in reality there are vast differences among development strategies and institutions; they also failed to note the ongoing contestation of development on the ground.
- They romanticised local traditions and social movements, ignoring that the local is also embedded in power relations.

Some counter-arguments: The term post-development encompasses a very diverse and heterogeneous group of writers. To criticise development is not necessarily to reject change and possibility; rather, it is to make us aware of the consequences of framing this as 'development'. Other conceptions of development in terms of ecology, democracy, etc. would present a different image of developed and less development countries. Hence, post-development might not be novel for its scepticism, but rather for its theoretical framework (discourse analysis) (Escobar, 2006:453).

2.5 POLITICAL ECONOMY OF DEVELOPMENT

2.5.1 State and Economic Development

There has been increasingly emphasis since the 1970s on the role of the state in promoting or retarding development. Social scientists began to consider more systematically the question of the form and function of the state in developing countries, spawning a diverse literature on the 'developmental state'. There was a growing emphasis among theorists on the fact that development was not a neutral terrain, but rather profoundly conditioned by political processes and vested interest. Myrdal was among the pioneers of this approach, introducing, *inter alia*, the notion of the 'soft state', which he described as state characterised by different types of 'social indiscipline', which manifests itself in different ways:

- Deficiencies in legislation and in law observance and enforcement.
- A widespread disregard by public officials at various governmental levels of rules and directives handed down to them.
- Collusion between public officials and powerful persons and groups, whose conduct these officials ought to regulate.

The relative hegemony of neoliberal thought for most of the 1980s and 1990s tended to obscure the more critical analyses of the differential performance of states in the Third World. There was rather a fairly widespread belief, especially at international level, that the state was overextended and inefficient, and that its scope and operations needed to be reduced (Turner & Hulme, 1997:183).

By the mid-1990s, it was clear from the experience of structural adjustment programmes that pressure on cutting the state led to poorly conceived cuts in state expenditure, which did little or nothing to improve state efficacy and often led to cuts in essential services, rarely impacting on strategic vested interests and patronage networks. Also, the accompanying macro-economic policy perspectives tended not to supply the anticipated stimulus to the national economy in question; market forces proved to be more elusive than was expected. Re-assessments of the role of the state in economic development in the mid and late-1990s, spurred in part by more sophisticated analyses of the East Asian experience, suggested that cutting back the

state and relying more on the market for solutions would not solve problems regarding state capacity. On a more general level, discourses in search of an alternative approach to the dichotomy between the state and the market have been generalised. In this context, Guiddens's proposal of an alternative 'Third Way' has been particularly influential (Guiddens, 1998:2000).

There is now a greater appreciation of the potential role of the state in providing an enabling environment and intervening in a coherent fashion to stimulate and guide economic development. However, for mainstream development theory and policy, this entails not so much a return to the interventionist state *per se*, as an attempt to better integrate the question of state reform with market-driven development strategies. By the end of the 1990s, there was a reasonable degree of consensus on the need to remodel the state, but still significant divisions on the nature and content of state reform.

From different perspectives, there is a degree of consensus about the need to create strategies of shared responsibilities between the state, the market and society. This trend is in line with the World Bank's 1997 World Development Report, in which that institution introduced a change in the conception of the role of the state in economic development, emphasising the need for the state to act as a key agent for development.

The institution has, in some sense, moved away from the neoliberal rhetoric of former years towards a position that emphasises the need for a strong but revitalised state. The current vision argues that state reform should be integrated with market oriented strategies. The discourse of IFIs and development agencies establishes that governments in countries seeking to participate effectively in global economic competition must increasingly assume new roles as catalysts for market development, enablers of productivity and efficiency, regulators ensuring that markets remain open and equitable, promoters of private sector expansion, and stimulators of human and capital resource development. They must use their resources to provide services and infrastructure that make productive activities competitive nationally and internationally (Vreeland, 2003:140). In a global economy, governments must work cooperatively with the private sector, civil society organisations and international financial institutions to develop institutions that support and sustain market systems through which

enterprises of all sizes engage in regional and global trade and investment. A new conception of the state as catalyser and generator of synergies should be promoted. In this context, partnerships between public-private sectors are to be encouraged (Vreeland, 2003:141).

Therefore, alliances between governments and non-state actors, particularly the private sector, are regarded as crucial. There is a sort of consensus, at least in the development agencies discourse, firstly, that a responsible, values-driven private sector can be an important actor in development; and, secondly, that new forms of cooperation between the public sector, the private sector and civil society offer important potential for achieving development goals. "In order to maximise this potential, it is necessary to bring together development and business communities on a far more systematic basis and to do so in a pragmatic, solution-focused atmosphere" (Vreeland, 2003:142).

2.5.2 Patronage and Political Clientism: Case of Economy of Affection

Hyden (1983), an American neo-marxist political scientist, developed an influential analysis of the workings of the state and society in poorer Third World countries, especially those in Sub-Saharan Africa. He argued that the 'soft state' was the result of a situation where no one class was sufficiently in control to ensure the creative expansion of a macro-economic system. Pre-capitalist and traditional structures constitute an 'economy of affection' in modern times, 'a network of support, communication and interaction' between families and groups to ensure the basic welfare of the groups. Although sustaining large groups of people, the 'economy of affection' tends to inhibit efforts to build a coherent national economy and state (Hyden, 1983:177).

2.6 CULTURAL IMPERIALISM AND CULTURAL AFFIRMATION IN THE SOUTH

2.6.1 Cultural Imperialism

As the excerpt above implies, domination is central to the debate on cultural imperialism. The question now is: *What kind of domination are we talking about?* This discourse is inescapably lodged in the culture of the developed West. At issue here is

a discourse about other cultures and their rights to flourish, but one that circulates primarily in the heart of the 'imperialist' West.

Smandych (2005:197) asserts that cultural imperialism as a concept and a focus of research emerged in the 1970s. According to Salwen (1991:243), it emerged largely from communication literature involving development and political economy. This emergence can be seen in parallel with the 'cultural turn' in social sciences and development studies. Hence, the term is closely related to post-structuralist notions of discourse, power, dominance and resistance (Salwen 1991:243; Smandych, 2005:197).

Schiller (1976:254) introduced the term 'cultural imperialism' to describe and explain the way in which large multinational corporations in developed countries dominate developing countries. Although Schiller's work focused mainly on the area of communication, cultural imperialism has been used as a framework by scholars of other academic backgrounds and various disciplines to explain phenomena in the areas of international relations, anthropology, history and literature.

Cultural imperialism has been described and defined in several ways by different scholars. It has been described in terms such as 'structural imperialism' (Galtung, 1979); 'cultural dependency and domination' (Link, 1984; Mohammadi, 1995), 'cultural synchronisation' (Hamelink, 1983); 'ideological imperialism' and 'economic imperialism' (Mattleart, 1994); 'soft power' (Fraser, 2005) – all referring to the same basic notion. Smandych (2005) places the different definitions on a continuum, ranging from narrow and openly polemical definitions of cultural imperialism in terms of the domination of other cultures by products of US culture industry, to more abstract and formal definitions, such as those presented by Schiller (1976:254).

This latter end of the continuum defines cultural imperialism as "the sum of the processes by which a society is brought into the modern world system and how its dominating stratum is attracted, pressured, forced, and sometimes even bribed into shaping social institutions to correspond to, or even promote, the values and structures of the dominating centre of the system" (Schiller, 1976), as cited in Smandych (2005, p. 3). As Said (1994, p. 5) states: "At some very basic level, imperialism means thinking about, settling on, controlling land that you do not possess, that is distant, that

is lived on and owned by others. For all kinds of reasons it attracts some people and often involves untold misery for others.” A central element in these definitions is, as Bourdieu and Wacquant (1999) state, that cultural imperialism rests on the power to universalise particularisms (Smandych, 2005:3).

Tomlinson (1991:91) suggests another approach, asserting that the concept of cultural imperialism is one that must be assembled out of its discourse. The hybrid nature of the term stems from the fact that it brings together two terms that are in themselves complex and problematic. Williams (1983:164) notes two strands in the development of the term imperialism: one, in which the term refers to a political system; and a second, in which it refers to an economic system. For example, American imperialism can be contrasted to soviet imperialism through its economic denomination (capitalism), as opposed to the political denomination in the latter. In the case of the concept of *cultural* imperialism, culture is used in distinction from the political and economic spheres of life, which are the concerns of imperialism in its more general sense. What we need to understand, is not what culture is, but how people use the term in contemporary discourses (Tomlinson, 1991:91).

Williams (1983:164) identifies three broad categories of usage of the term culture: (1) as a description of a general process of intellectual, spiritual and aesthetic development; (2) as indicative of a particular way of life, whether of a people, a period, a group, or humanity in general; or (3) as a reference to the works and practices of intellectual and especially artistic activity. In the discourse of cultural imperialism, the second and third usages are dominant (Williams, 1983:164).

What is at stake is the idea that we can speak of distinct and particular cultures. It also implies the sovereignty of particular cultures: the idea that how life is lived, is a judgement to be made by a particular collectivity, and by no-one else. This idea is very strong in modern liberal thought generally and is fundamental to the notion of cultural imperialism. Much of the opposition to cultural imperialism is founded in the liberal values of respect for the plurality of ways of living.

Tomlinson (1991:101) draws on Foucault’s ideas about discourse, putting forward the idea that speaking of *the* cultural imperialism thesis implies a sort of artificial coherence (which does not exist). He claims it is better to speak of a discourse of

cultural imperialism, as this recognises the multiplicity of voices in this area and the inherently unruly nature of these articulations. The issue of *who* speaks, is of peculiar sensitivity in the context of cultural imperialism, because of the danger of the practice of cultural imperialism being reproduced in the discussion of it. The vast majority of texts is written in a European language (Tomlinson, 1991:101).

The mere fact of writing in one of these dominant languages (for example, English, German or French) reproduces this imperialism. We stay ignorant of what is written in other languages, like IsiXhosa, Hindi or Quechua. These voices are silenced. These practical determinants are determined by a historical context, which is the context of a European imperialist and colonialist past and present.

A second issue, besides having a voice, is the matter of representativeness. This begs the question how representative the (cultural) representatives are. For instance, only nations are represented in UNESCO. This excludes ethnic and cultural minorities, which may have separate cultural identities and interests within nations. Hence, there is a discourse about minorities, but no discourse from minorities in UNESCO.

Tomlinson (1991:129) identifies four ways of talking about cultural imperialism: cultural imperialism as media imperialism; as a discourse of nationality; as a critique of global capitalism; and, finally, as a critique of modernity (Tomlinson, 1991:129).

2.6.2 Cultural Imperialism as “Media Imperialism”

The majority of discussions place media – television, radio, newspapers, journals, advertising, and the internet – at the centre of things. This leads to an argument about the use of the terms cultural/media imperialism.

This discussion polarised along theoretical faultlines between neo-Marxist and non-Marxist views. Neo-Marxists prefer the term ‘cultural imperialism’, because they adopt a more holistic view of the role of the media, seeing it as implicated in a larger totality of domination. Non-Marxists prefer to deal with ‘media imperialism’ rather than the all-encompassing ‘cultural imperialism’. The term ‘media imperialism’ is deliberately used in a restrictive sense by the non-Marxists. Non-Marxist views of media imperialism tend to be theoretically unassuming [i.e. they take no theoretical perspective (Crotty,

2003:1)], and locate themselves close to what are seen as the empirical grounds of the debate (Crotty, 2003:12-14).

They try to establish facts without making more general theoretical assumptions about cultural imperialism. Hence, links between economics, politics and culture are not assumed at the outset in terms of a grand theory.

Media imperialism is a particular way of discussing cultural imperialism. However, some questions arise from this way of talking. The main cluster of issues has to do with the way in which domination is said to occur. Critics of media imperialism often concern themselves with the structural and institutional aspects of global media. This leads to a critique of political-economic forms of domination, like the market dominance of Western news agencies or the dumping of cheap TV programmes on Third World countries. The assumption seems to be that this is all that cultural imperialism actually is. In contrast with this, are the approaches that recognise a specifically cultural level of domination, but merely assume that imported cultural goods like TV programmes or advertising have a self-evident cultural effect. Both of these assumptions are problematic and represent general difficulties in the discourse of cultural imperialism (Crotty, 2003:15).

The discourse of media imperialism provides us with an initial context in which to consider the general problem of what cultural dominance actually means. Talking about cultural imperialism as media imperialism also generates another important issue, namely the question of the centrality of the media in claims about cultural imperialism. Some writers use the two terms – cultural/media imperialism – as synonyms. This implies that the media have an overwhelming importance in the processes referred to as cultural imperialism. It is tempting to see the media as the central cultural reference point of modern Western capitalism. If this is so, cultural imperialism may be seen to centre on media in two ways: either as the dominance of one culture over another; or as the global spread of 'mass-mediated culture' as such. Both involve the idea that the media are at the crux of modern culture (Crotty, 2003:18).

2.6.3 Cultural Imperialism as a Discourse of Nationality

Cultural imperialism as a discourse of nationality hinges on the concepts of 'belonging' and 'indigenous culture'. If the media are the most common *focus* for discussions of cultural imperialism, the idea of the invasion of an indigenous culture by a foreign one is the commonest way of articulating the *process* involved. This generates the problem of what is understood by indigenous culture. Does it mean 'indigenous', as belonging to a geographical area? Belonging naturally? Or being an accepted or established practice in a specific area?

This discourse mostly revolves around the nation and clusters around the idea of national cultural identity and the threats posed to this by cultural imperialism. In dealing with this discourse of national cultures, we will inevitably confront the other level of locality at which cultural imperialism operates. The other main area of ambiguity in this discourse is the question of how specifically cultural domination is said to occur.

2.6.4 Cultural Imperialism as Critique of Global Capitalism

This way of talking about cultural imperialism falls within a neo-Marxist approach and involves seeing the world as a political-economic system of global capitalism. Capitalism, rather than the nation-state, is hereby seen as the real imperialist power. Although this approach rightly emphasises the integrated and integrative power of capitalism, this shift from nation-state to capitalism soon leads to theoretical difficulties when speaking of the activities of either nation-states or multinational corporations, as they implicitly acknowledge a view of the world as a set of nation-states.

Cultural imperialism is a rather uncomfortable discourse for Marxists, due to the problem of the economic reductionism of Marxist analysis. Cultural domination is reduced to questions of ownership, control and the transfer of cultural goods within the global capitalist market. Culture is hereby seen as having a functional role in the spread of capitalism as an economic system and set of class relations. Tomlinson asserts that this misrepresents not only the nature of cultural processes, but also the nature of the reproduction of capitalism itself.

These problems are mainly rooted in the general problem of how we think about capitalism as culture. Two main approaches can be taken here. The first approach is

based on the claim that capitalism is a homogenising cultural force. This is an expression of the perception that everything is beginning to look and feel the same everywhere. Think, for instance, of the similar appearance of fast-food restaurants like McDonalds or Pizza Hut in countries like the US, Russia or India. In neo-Marxist discourse it is the economic imperatives of multinational capitalism that are behind this cultural convergence. The second claim is that the spread of capitalism results in the spread of a culture of consumerism, a culture that involves the commodification of all experience. Think here about the tourist industry and the 'unforgettable experience' they typically try to sell to potential customers.

2.6.5 Cultural Imperialism as Critique of Modernity

The final way of speaking about cultural imperialism emphasises the effect it has, not on individual cultures, but, as it were, on the world itself. This critical discourse of modernity is not the domain of theorists who claim to speak about cultural imperialism directly. Rather, it is a way of speaking about global historical developments that encompasses and reformulates the claims made by theorists of cultural imperialism. This main cultural direction of global development is referred to as 'modernity'. Cultural imperialism as a critique of modernity implies a critique of the dominance of global cultural determinants as capitalism, urbanism, mass communications, a technical-scientific-rationalist dominant ideology, a system of nation-states, a particular way of organising social space and experience, and a certain subjective-existential mode of individual awareness.

At its most superficial level, this critique is a complaint against homogenisation and the championing of cultural diversity. These views will risk reducing 'modernity' to 'capitalist society'. On another theoretical level, the critique of modernity becomes an argument against the dominant trends of global development. It then involves an argument about the meaning of 'development' itself. This relates to the debate within Development Studies on defining the goals of development in terms of becoming 'modern'.

Tomlinson (1991:144) contends that what is centrally at stake in this critical discourse is a way of responding to the ambiguous cultural condition of modernity. Hence, it is not enough to problematise the cultural practices only; the same has to be done with

the underlying narrative that sustains them, as this narrative is rooted in the culture of the (Capitalist) West, in which the abstract notions of development or progress are instituted as global cultural goals.

As we outlined at the beginning of this section, cultural imperialism is fraught with post-structuralist notions of discourse, power, dominance and resistance. Now that we have outlined issues of discourse, power and dominance, the subsequent chapter will explore the recruitment process of public human resources (Tomlinson, 1991:144).

2.7 SUMMARY

In this chapter, the diversity of development theories and practices was discussed at length. This diversity is already evident in the definitions of 'development'. While some theorists view economic growth and increases in economic wealth as the key definition of 'development', others consider 'development' to encompass ideas of greater autonomy and choice about how individuals live their lives. In addition, 'development' can be seen as an end point to which particular societies aspire, and/or a process of change and what some have called 'progresses'. In addition to the definitional differences, theories also differ regarding who the main actors are called on to achieve 'development'. The main actors involved are governments or the state (at national or local levels), the market represented by private sector companies, and non-governmental organisations and civil society institutions. However, as outlined in this chapter, the role of individuals and communities is also important in both defining and achieving 'development', although the importance of their involvement will vary depending on the theory. The scale of development theorising also differs. Most development theories and many official development measures are based on the nation-state. However, in some cases, the focus on more local, grassroots activities and actors becomes key. In addition, the influence of global processes is implicated in a number of theories, most noticeably the structuralism and dependency theories.

However, as outlined in this chapter, the processes of globalisation have increasingly challenged the ability of nation-states to manage and direct development within their own boundaries and the location of development must be recognised. 'Development' is often regarded as something that now only happens in the Global South, as it has been achieved in the North. In fact, many development theories are based on the Northern experience, which is then transposed to other parts

of the world as the only correct way to develop. However, it is clear that regardless of definition, 'development' is an on-going process throughout the world, often with similar debates about appropriate policies. For example, processes of decentralisation and participation are certainly not confined to the South. In terms of development practices, the post-Second World War development agenda, epitomised by Truman's inaugural speech, has led to a range of interventions by multilateral agencies and Northern governments in the South. While there have clearly been successes, the fact remains that the Millennium Development Goals are a reflection of the relative failure of development practices to provide even the most basic levels of food, shelter, healthcare and education for millions of the world's people. In addition, the collapse of the Soviet bloc notwithstanding, the global structures of economic and political power that shape the flows of ideas, aid, investment and people look very similar at the start of the twenty-first century to how they did in the post-war period. The fate of Sub-Saharan Africa is of particular concern; in many ways, 'development' has failed this vast area. While not wanting to reinforce the common representations of the whole continent as poverty-stricken and in need of assistance, measures of poverty suggest that the range of development policies implemented in most of the continent have had very little success, and have in some cases even exacerbated the marginalisation of large groups of people. The international concerns about the region have led to a number of high-profile initiatives such as the 'New Partnership for African Development' (NEPAD). Such initiatives may have a positive impact, but only if they can help create global conditions that are more conducive to the enhancement of human freedoms.

Development theory comes out of contemporary situations and problems, but also feeds into policy-making processes. At the start of the twenty-first century, neo-liberal approaches to development dominate the political agenda in both multilateral organisations such as the World Bank and the World Trade Organization, and also at the level of many national governments. This, despite the criticisms levelled at such approaches from a range of sources. The dominance of neo-liberalism can be seen in the adoption of the 'New Partnership for Africa's Development' (NEPAD), which has also been termed the Marshall Plan for Africa. This focus on African development has been prompted by the perceived exclusion of much of the African continent from processes of economic growth and improved standards of living. The subsequent chapter will discuss the recruitment process of Public Human Resources (Tomlinson.1991:144).

CHAPTER THREE

RECRUITMENT PROCESS OF PUBLIC HUMAN RESOURCES

3.1 INTRODUCTION

The outcome of the work design is an organisational structure made up of various work units, such as individual positions, sections and terms. When an organisation has been operating for some time, the work to be performed by these units will already have been structured. However, if work is not redesigned, it is necessary to plan who will do the work, and when and how; it is also necessary to know what kinds of positions, what type of work and what numbers of people with what kinds of competencies will be needed in order to ensure the successful operation of the organisation over the long term.

When a detailed analysis of these types of issues is undertaken, the management process put into motion can be termed workforce planning. Traditionally, this has been known as manpower planning. The basis of such workforce planning is information about what work is being done or may need to be done; this information is obtained through job analysis. One of the major problems currently experienced by the Provincial Government of the Eastern Cape is a high staff turnover rate, which has left the current employees unable to cope with the demands placed upon them (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:8-9).

Staff members are generally frustrated and dissatisfied. Staff morale is low, as many skilled people leave in droves, shattering relationships established over many years. Departmental managers need a well-motivated workforce in order to implement their departmental strategies. Because performance cannot be separated from motivation, individuals need to be well motivated in order to perform well (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and Recruitment and Selection Policy, 2006:11).

This chapter will provide a literature overview, focusing on job analysis and design, employee recruitment, selection and induction, the challenges facing the human resources management, diversity management, and internal staffing.

3.2 JOB ANALYSIS

Swanepoel, Erasmus, Van Wyk and Schenk (2006:224) point out that the basic component of an organisation's structure is to work. The different work units, such as positions created to facilitate the carrying out of work objectives, are achieved by means of people performing their work in the various jobs designed. Therefore, care should be taken with respect to the quantity and quality of people needed to execute the work (Swanepoel *et al.*, 2006:224).

Swanepoel *et al.* (2006:224) mention that the job analysis process involves the scrutiny of the duties, responsibilities and accountabilities associated with particular positions. The information gathered from job analysis generates two outcomes, namely job descriptions and specifications (Swanepoel *et al.*, 2006:224).

3.2.1 ***A job description*** is a written statement of the content of a job flowing from an analysis of the job. It states what the job holder does; how it is done; under what conditions it is done; and why it is done.

3.2.2 ***A job specification*** describes the attributes that an employee requires in order to carry out the job: these include the requisite knowledge, skills and level of education, experience and abilities needed to do the job effectively (Swanepoel *et al.*, 2006:224).

Pritchard and Murlis (1992:81) aver that a trained job analyst can be used to great effect to provide help and advice and a quality assurance review of the information provided. This is an efficient approach and can be used effectively in respect of both job descriptions and questionnaires.

In the above context, Pritchard and Murlis (1992:82) argue that the quality of job analysis in a large number of organisations is not of sufficient standard to ensure quality job evaluation; they claim that computer systems tend to be more reliable than human analysis. A particular advantage of computer assisted processes is that multiple-choice questionnaires can be completed and processed quicker. In this context, the claim can be made that such questionnaires are inherently more accurate or objective than conventional job descriptions, since they ask for the same information from all job-holders in precisely the same way (Pritchard & Murlis, 1992:82).

Pritchard and Murlis (1992:82) contend that the real value of questionnaires lies in their efficiency, not their accuracy. Indeed, in practice, the quality assurance of questionnaire responses is a key requirement for effective computer assisted processes.

Pritchard and Murlis (1992:87) claim that it is necessary to recognise that job analysis is fundamental to a wide range of human resources management processes, and that some kind of job description is necessary as a specification, as for the following:

- Organisational analysis
- Recruitment
- Succession planning and career development
- Performance management
- Competency and skills analysis

A problem in large organisations is that these processes have in the past been treated as separate issues, often dealt with by different specialists within the same organisation, according to (Pritchard & Murlis, 1992:87).

Bloisi (2007:109) claims that job analysis is vital, because it provides the information on which two significant recruitment documents are based: the job and person specifications. The job description summarises the job's purpose and the activities contributing to that purpose, together with the lines of responsibility (Bloisi, 2007:109).

3.2.3 Methods of Collecting Job Information

Schneier and Beatty (1978:87) list the different methods of job information collection as follows:

- Observations
- Individual interviews with job incumbent
- Group interviews
- Technical conferences
- Questionnaires (structured)
- Questionnaires (open-ended)

According to Porter, Bingham and Simmonds (2008:124), the first step is to decide whether a vacancy exists. When employees leave, there may be alternative ways of filling the gaps left by their departure, such as re-organisation, the reassignment of tasks, and automation (Bingham and Simmonds, 2008:124).

Porter, Bingham and Simmonds (2008:124) point out that the next step involves the analysis and setting out of information about the contents of jobs in order to determine the key tasks and roles. Job analysis methods include the observation of the person doing the job; getting job-holders to record their activities in work diaries; interviewing the job-holders; keeping a questionnaire checklist of critical incidents; and repertory grid techniques (Porter *et al.*, 2008:124).

Porter *et al.* (2008:125) further claim that criticism of traditional job analysis includes its focus on the job rather than on wider requirements and that it simply collects information about the job as it currently exists, assuming that it will remain the same in the future (Porter *et al.*, 2008:125).

3.2.4 Position Description

According to Craig (1987:67), a vital element of the job search process is the position description, which must be developed before an internal or external search is initiated. Inputs for the description must be obtained from all parties concerned, including (but not limited to) the person to whom the new appointee will report, potential internal clients, subordinates, peers and, if possible, the person who is vacating the position (Craig, 1987:67).

Craig further mentions that many corporations have a standardised format for position descriptions. Once the competencies and outputs have been determined, the position description can be developed (Craig, 1987:68).

Craig (1987:68) further states that employees within the corporation who will be involved in making the hiring decision must be asked for their input and be given an opportunity to review the final document. If search consultants are employed, they will develop the position description in consultation with internal staff.

Craig (1987:68) states that the components of the position description include the following two basic elements:

- A brief description of the company and location of the job.
- A description of the desired outcomes wanted in the relevant position and the needed competencies (Craig, 1987:68).

3.2.5 Job Description

According to Bloisi (2007:113), a job description is used to set out the basic details of the job. It defines its primary purpose, reporting relations, the main activities to be carried out, and any special requirements (Bloisi, 2007:113).

Bloisi (2007:113) explains that a job description contains the following elements: a job title, a grade and/or rate of pay, a main location, a line manager's name/post, details of any subordinates, a summary of the main purpose of the job, and a list of the principal duties and responsibilities (Bloisi, 2007:113).

Job descriptions (forming the base documents) are called for in terms of Public Service Regulation 111.1.2, which requires that job descriptions be based on the main objectives of a post, indicate the inherent requirements of that post, and reflect an appropriate emphasis on service delivery. Regulation 111.1.2 further states that certain information about career pathing is also required (Public Service Regulations, 2001).

Porter *et al.* (2008:126) describe a job description as a form of job analysis. A job description provides information about the job, typically under relevant headings, such as title, location, main purpose, responsibilities, working conditions and so on.

3.3 JOB DESIGN

Swanepoel *et al.* (2006:194) define a job design as follows: how one defines a given job and what work or tasks are to be performed; how they are to be performed; and what authority is attached to the position. According to Swanepoel *et al.* (2006:194), job design decisions are of a long-term nature and are based on certain beliefs or

assumptions about what would inspire the individual employee to attain best performance (Swanepoel *et al.*, 2006:194).

Swanepoel *et al.* (2006:196) also explain that job design, in the true sense of the word, refers to the first instance when a job is created by management; in other words, work design means the reshaping of the way people (employees) have to work. In this sense, work redesign can be thought of as changing job design patterns on a large scale (Swanepoel *et al.*, 2006:196).

Mabey, Salaman and Storey (1998:38) define a job design as addressing the need to enhance organisational performance by two sets of performance improvement measures: these should increase employee involvement and commitment and improve organisational efficiencies (Mabey *et al.*, 1998:38).

Mabey *et al.* (1998:38) further emphasise that job design is concerned with improving not simply the quantity but also the quality of employees' efforts to achieve an evolution from employee compliance to employee commitment.

Byars and Rue (2000:97) state that job design is the process of structuring work and designating the specific work activities of an individual or group of individuals to achieve certain organisational objectives. Job design addresses the basic question of how the job is to be performed, who is to perform it, and where it is to be performed (Byars and Rue, 2000:97).

Byars and Rue (2000:97) further mention that job analysis and job design are linked to each other. In practice, job analysis is usually performed on existing, previously designed, jobs. Byars and Rue also emphasise that it is not unusual for a recent job analysis to reveal that the existing method of performing a job (the job design) is inefficient or contains unnecessary tasks (Byars and Rue, 2000:97).

According to Byars and Rue (2000:109), designing a job involves making decisions as to by whom, where, when and how the job will be performed.

The job design process can generally be divided into three phases, according to Byars and Rue (2000:109). These are:

- *The specification of individual tasks:* What different tasks must be performed?
- *The specification of the method of performing each task:* Specifically, how will each task be performed?
- *The combination of individual tasks into specific jobs to be assigned to individuals:* How will the different tasks be grouped to form jobs?

Mondy and Noe (2005:109) state that job design is the process of determining the specific tasks to be performed, the methods used in performing these tasks, and how the job relates to other work in the organisation (Mondy & Noe, 2005:109).

Hollenbeck, Gerhart and Wright (2003:68) are also of the opinion that job design addresses the issue of which tasks should be grouped into particular jobs. The way in which jobs are designed, must be linked to the strategy of an organisation, because this requires either new and different tasks, or different ways of performing the same tasks (Hollenbeck *et al.*, 2003:68).

Hollenbeck *et al.* (2003:159) add that job design is the process of changing the tasks or the way in which work is performed in an existing job.

3.4 EMPLOYEE RECRUITMENT PROCESS

According to Swanepoel *et al.* (2006:259), recruitment encompasses those activities in human resources management that are undertaken in order to attract sufficient job candidates who have the necessary potential, competencies and traits to fill the job needs and to assist the organisation in achieving its objectives (Swanepoel *et al.*, 2006:259).

Swanepoel *et al.* (2006:259) argue that, by means of recruitment processes, the organisation aims to attract and retain the interest of suitable applicants and project a positive image of it to outsiders.

Moreover, according to Swanepoel *et al.* (2006:259), the recruitment process may be set in motion by the recognition of a need arising out of the workforce planning process. It may so happen that vacancies arise from resignations, promotions or transfers. For this reason, an organisation may from time to time need to attract job

candidates with the required competencies and traits for the tasks to be performed (Swanepoel *et al.*, 2006:259).

Swanepoel *et al.* (2006:259) contend that the responses of potential employees depend on their attitude towards the work to be performed and the organisation, as well as their perception of whether the necessary fit can possibly be established between themselves and the organisation trying to recruit them (Swanepoel *et al.*, 2006:259).

According to the definition of Swanepoel *et al.* (2006:60), a recruitment policy is developed largely to provide broad guidelines, while the procedures must provide more detailed guidelines to attract qualified candidates at minimum cost and time. Such policies and procedures could help managers to make the correct decisions. They conclude that properly planned and executed recruitment policies and procedures will normally allow managers to use a variety of recruitment practices (Swanepoel *et al.*, 2006:260-261).

Grobler, Warnich, Carrell, Elbert and Hatfield (2006:171) have identified various advantages for recruiting within an organisation; with a key advantage being an increase in the morale of employees who believe that the organisation will reward successful performance and that they could therefore also be promoted to higher positions. Conversely, as pointed out by Grobler *et al.* (2006:171), a lack of possible promotion and advancement opportunities within an organisation can be a major cause of turnover and dissatisfaction (Grobler *et al.*, 2006:171).

Grobler *et al.* (2006:171) mention that managers recruiting within an organisation also have the advantage of using the human resources data maintained by the organisation. Promotion within the organisation, they argue, often leads to vacancies, which can then be filled from within the organisation. Internal promotion has a potentially positive effect on employee morale, because each promotion positively affects several employees (Grobler *et al.*, 2006:171).

According to Grobler *et al.* (2006:171), internal promotion within large organisations often involves the relocation of an employee from one city to another. They point out that transferring an employee from one location to another remains one means of filling

a vacant position. The obvious advantage of this method is that the employer is well aware of the employee's ability and work record. In addition, the newly transfer employee can quickly become productive in the new job, with a minimum of training and orientation required (Grobler *et al.*, 2006:171).

Grobler *et al.* (2006:172) further contend that the advantages of recruiting from the outside include that a larger number of applicants can be recruited than could normally be recruited internally: In addition, outside applicants may bring new ideas, work techniques, production methods or training to the organisation, resulting in increased employee productivity. Furthermore, these authors also point out that external applicants may also have contacts that internal employees do not have in terms of sales, purchasing and research and technology; good external contacts could be vitally important, and the recruitment of outside applicants with such contacts may be very helpful (Grobler *et al.*, 2006:172).

Grobler *et al.* (2006:172) further argue that the recruitment of outside applicants for mid-level and higher positions will eliminate infighting among employees jockeying for promotion. Whenever infighting is severe, organizations tend to concentrate on external recruitment to decrease internal dissent (Grobler *et al.*, 2006:172).

Amos, Ristow, Ristow and Pearse (2008:115) claim that the purpose of recruitment is to attract a pool of potential candidates from which the ideal candidate can be selected. This should be done as cost effectively as possible. When recruiting, it is important that the activity be seen in the context of the total human resources function and be integrated with selection. Furthermore, the authors argue that only relevant legal requirements should be adhered to, and the process should be managed as a two-way process: just as organisations are searching for candidates, so, too, people are searching for suitable organisations for which to work (Amos *et al.*, 2008:115).

3.4.1 Factors Influencing Recruitment

Swanepoel *et al.* (2006:260) highlight key factors that influence recruitment policy and the external factors outside the organisation's control, such as labour market conditions, and government and trade union influences. Internal factors are those

decided by the organisation, such as its selection criteria and organisational image (Swanepoel *et al.*, 2006:260).

3.4.2 Internal Recruitment Methods

According to Grobler *et al.* (2006:173), one of the most popular methods of filling positions within organisations is job posting. Job posting methods include at least three proven and effective processes:

Traditional bulletin boards as follows:

- Computer-mail based systems.
- Telephone voice-mail based systems.

Grobler *et al.* (2006:173) state that these three methods could all be effective, but that the latter two offer benefits over traditional bulletin boards, such as the following:

- Easy access by all employees
- 24-hour availability
- Minimum paperwork
- Immediate notification to all employees

(Grobler *et al.*, 2006:173).

The authors also point out (Grobler *et al.*, 2006:174) that for most organisations, direct applications by mail or by individuals applying in person is the largest source of applicants. In the case of blue-collar jobs, walk-ins are often called 'gate hires'. Direct applications can provide an inexpensive source of good job applicants to the organisations, especially for entry-level clerical and blue-collar jobs. In recent years, direct applications from new university graduates have been used to fill other entry level positions (Grobler *et al.*, 2006:174).

3.4.3 Recruitment Sequence

According to Bloisi (2007:108), recruitment is typically seen as occurring in two main stages: the formative work, and the recruitment practices (sources and methods). Each contains a cluster of activities, usually portrayed in a linear sequence (see Table 3.1).

Table 3.1: Recruitment Sequence

Major stage	Activities within each stage
Formative recruitment	<ul style="list-style-type: none"> • Receiving the possibility of the need to acquire new staff and the identification of a vacancy. • Deciding on the management of the vacancy. • Job analysis, producing job descriptions and person specifications.
Recruitment sources and methods	<ul style="list-style-type: none"> • Decision on recruitment sources and methods to be employed. • Determining the application form format, for example, electronic or paper, formal application or CV. • Putting the job vacancy in the public domain. • Applications arrive.

Source: Bloisi (2007:108)

3.4.4 Recruitment: Sources and Methods

Swanepoel *et al.* (2006:265) point out that once it has been decided that additional employees are needed, the recruiter is faced with the decision of where to search for applicants. Two basic sources of applicants can be used: either internally (current employees) or externally (those not presently in the employ of the enterprise) (Swanepoel *et al.*, 2006:265).

Bloisi (2007:119.120-121) defines two central types of recruitment, as presented in Table 3.2 below:

Table 3.2: Recruitment Sources and Methods

Internal Recruitment	External Recruitment
<ul style="list-style-type: none"> • Creating a pool of applicants from current employees to fill a vacancy, • This is a relatively cheap and time effective way of recruitment; vacancies can be advertised at little cost. • Leading to a robust internal labour market, and boosting employee 	<ul style="list-style-type: none"> • Identifying possible candidates for recruitment from the labour pool outside the organisation. • Yielding pool of well-qualified applicants. • Contributing to a lower turnover of staff.

Internal Recruitment	External Recruitment
morale through opportunities for career development and progression.	<ul style="list-style-type: none"> • Leading to higher levels of employee performance.

Source: Bloisi (2007:119, 120-121)

3.4.5 Recruitment and the Law

Grobler *et al.* (2006:182) point out that the implementation of the Labour Relations Act, No. 66 of 1995, as amended (Act 12 of 2002); the Basic Conditions of Employment Act, No. 75 of 1997, as amended (Act 11 of 2002); and the Employment Equity Act, No. 55 of 1998, introduced a number of important issues relating to the recruitment process (Grobler *et al.*, 2006:182).

Grobler *et al.* (2006:182) further state that employers will now have to carefully scrutinise their recruitment policies and procedures and, where necessary, compile new recruitment and selection procedures, to be applied consistently and fairly to all job applicants. Failure to do so could have major implications (Grobler *et al.*, 2006:182).

3.4.6 Occupational Choice

Swanepoel *et al.* (2006:264) state that individuals usually start making choices about their future occupation during early childhood. This process continues through adolescence and adulthood and involves a number of decisions, until an initial choice is made. During this process, psychological, economic and sociological factors influence the occupational interests of the individual (Swanepoel *et al.*, 2006:264).

Swanepoel *et al.* (2006:264) further mention that as occupational interests become more focused, individuals begin to seek employment that will best satisfy their particular interests (Swanepoel *et al.*, 2006:264).

3.4.7 Recruitment Advertising

Amos *et al.* (2008:118) point out those advertisements appropriate for the method of advertising in mind must be developed. When designing advertisements, it is important to have identified the criteria against which the applicants will be assessed. Amos *et*

al. (2008:118) further contend that these criteria need to be directly related to the job, as described in the job description, specifications and profile, and will be derived mainly from the job specifications. The advertisement must not only be user-friendly, but must also portray a professional image of the organisation (Amos *et al.*, 2008:118).

Amos *et al.* (2008:118) add that in designing a recruitment advertisement, the (AIDA) formula should be followed. According to this formula, the advertisement needs to attract attention and stimulate interest in the organisation and the job; evoking a desire for the job and a need to work for the particular organization; and then action from the right applicants by getting them to submit their applications (Amos *et al.*, 2008:118).

3.4.8 War for Talent

Trompenaars and Hampden-Turner (2004:50) claim that young people everywhere, especially the most talented and best educated, want a chance to express themselves through the work they do and create and innovate, or at least share in the excitement of innovative projects (Trompenaars and Hampden-Turner, 2004:50).

Flippo (1980:132) states that the sources of employees can be classified into two types, i.e. internal and external. Filling a job opening from within the firm offers several advantages, such as stimulating preparation for possible transfer or promotion, increasing the general level of staff morale, and providing more information about job candidates through the analysis of work histories within the organisations. Flippo (1980:133) further mentions that the organisation must go to external sources for lower-entry level jobs, for expansion, and for positions whose specifications cannot be met by present personnel (Flippo, 1980:132-133).

3.5 EMPLOYEE RECRUITMENT AND SELECTION

Porter *et al.* (2008:120) define recruitment as a process that provides a means for staffing and resourcing organisations. They further mention that an increasingly competitive and globalised business environment, coupled with the need for quality and customer service, has underlined the importance of recruiting and selecting the right people and of being an employer of choice (Porter *et al.*, 2008:120).

Porter *et al.* (2008:120) add that achieving a good fit between people and their jobs is a primary objective of human resources management (Porter *et al.*, 2008:120).

It is their view (2008:120) that the implications of poor selection decisions could be catastrophic for businesses as a whole, in terms of the likelihood of disciplinary cases, retaining poor performers and dealing with labour turnover as a consequence. They further state that selecting the right person or people for the task and for the organisation concerned is paramount (Porter *et al.*, 2008:120).

Schneier and Beatty (1978:188) contend that, in selecting employees, most organisations try to match the individual and the organisation. This usually means the selection of those whom the employer predicts will be good performers. Schneier and Beatty (1978:188) further mention that making selections according to whether the candidate will be a good risk on turnover or absenteeism is sometimes considered, but that this factor typically plays second fiddle to selection based on job performance predictions (Beatty 1978:188: Schneier and Beatty, 1978:188).

Bloisi (2007:107) defines recruitment in terms of constituent activities – and also in relation to selection. A broad definition of recruitment is that it is a process of attracting applicants to an organisation and the selection of people to fill vacancies. According to Bloisi (2007:107), a narrow definition limits the range of activities to those involved in attracting people to apply for employment in an organisation (Bloisi, 2007:107).

3.5.1 Employee Selection

According to Grobler *et al.* (2006:182), selection involves choosing the best applicants to fill a position. After the position becomes available, the relevant HR manager reviews the available, qualified applicants and fills the position from the pool. The selection process involves making a judgement, not about the applicant him-/herself, but about the fit between the person and the particular job (Grobler *et al.*, 2006:182).

Grobler *et al.* (2006:182) state that the selection process is at the heart of an organisation's HR programme. If the selection process is well administered, the appointed employee will be able to achieve his or her personal career goals, while the organisation will benefit from a productive, satisfied employee. This is an important

goal, especially in South Africa, in view of the low prevailing productivity levels (Grobler *et al.*, 2006:182).

Bloisi (2007:107) defines selection as sifting through applications for a post and making decisions about the appropriateness of the applicants.

According to Amos *et al.* (2008:120-121), selection is the process of selecting the most suitable candidates from the pool of candidates recruited. Making a right selection decision is good business practice, as it contributes to the sustained, optimal use of human resources. The authors furthermore mention that in terms of South African legislation, a fair selection decision is a legal requirement. For example, in terms of the Labour Relations Act, an applicant for a job who is not selected could contend that he or she has been the victim of unfair labour practice, and the obligation then rests on the organisation to prove that this was not the case. Moreover, the authors point out (2008:121) that the selection process must be driven by pre-determined selection criteria. It must therefore begin with a description of the job in terms of tasks, duties and responsibilities, as well as the qualities necessary for success in the job and the outputs of the job (Amos *et al.*, 2008:120-121).

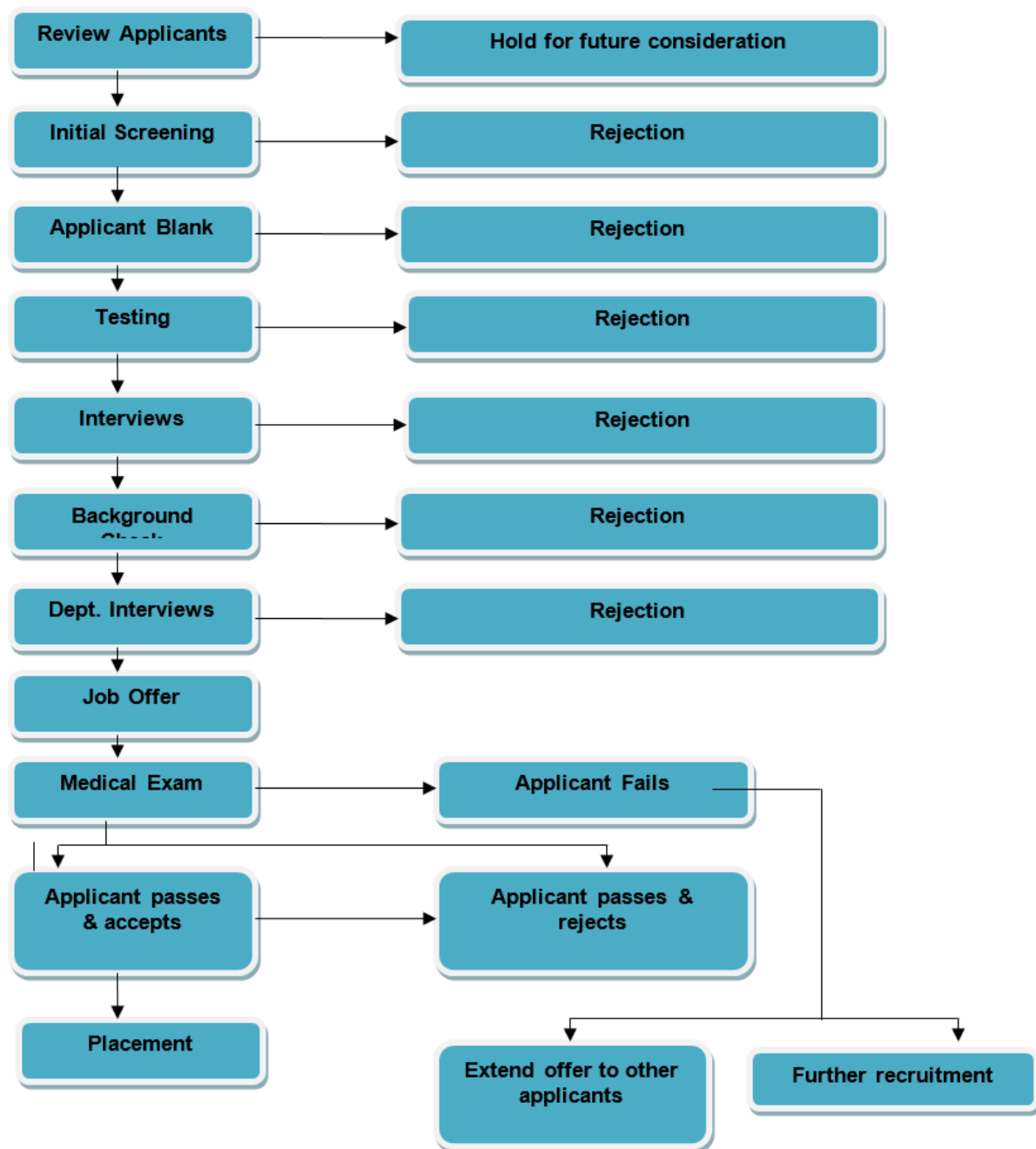
It is the view of Amos *et al.* (2008:121) that candidates may first be shortlisted in the selection process and that only the best candidates must be identified for the final selection process. During the shortlisting process, the information provided by candidates by means of applications or *curriculum vitae* should be compared against the pre-determined selection criteria. Shortlisted candidates then undergo an assessment process, which typically involves interviews (Amos *et al.*, 2008:120-121).

3.5.2 Selection Process

Grobler *et al.* (2006:186) state that selection pulls together organisational goals, job design and performance appraisal, as well as recruitment. Furthermore, the first element in the selection process is the setting of organisational goals, which must include the general hiring policy of the organisation. Policy-makers must determine how the employees fit into the overall framework of the organisation and must establish the relationships among the employees in the organisation.

The steps to be followed in the selection process are presented in Figure 3.1 below.

Figure 3.1: Steps In Selection Process



Source: Grobler *et al.* (2006:186)

3.5.3 Selection and the Law

Grobler *et al.* (2006:183) argue that, following the implementation of the Employment Equity Act, No. 55 of 1998, the selection process itself has become of critical importance to organisations in South Africa. All forms of discrimination, whether direct

or indirect, are forbidden. Grobler *et al.* (2006:183) further mention that direct discrimination would be where, on racial grounds, a person is treated less favourably than others would have been treated in the same or similar circumstances. They point out that indirect discrimination consists of applying a requirement or condition that, although applied equally to persons of all racial groups, is such that only a considerably smaller portion of a particular racial group could comply (Grobler *et al.*, 2006:183).

3.5.4 The Potential Employee

According to Swanepoel *et al.* (2006:264), both employers and the persons considering employment have a lot at stake in the employment process. They further state that applicants can be viewed as persons seeking a position that will provide them with both material and psychological rewards. Moreover, potential employees have different perceptions, expectations and needs, and managers wanting to employ people are expected to take note of these differences (Swanepoel *et al.* 2006:264).

3.5.5 Human Resources Responsibility

Grobler *et al.* (2006:183) point out that the selection process is usually centred in human resources departments, although it involves many individuals from other directorates and departments. Particularly in larger organisations, centralising the recruitment and selection process in HR departments promotes efficiency and effectivity (Grobler *et al.*, 2006:183).

Furthermore, the authors argue that both current employees and job applicants should be provided with one centralised place at which they may apply for jobs, transfers or promotions, as well as enquire about related HR matters. In most situations, the cost of recruiting and selecting employees is minimised by centralisation, because HR specialists can perform these functions more effectively than the managers in different departments (Grobler *et al.*, 2006:183).

Grobler *et al.* (2006:183) further mention that centralising the selection function minimises the bias of departmental managers or others who may wish to promote employees or hire applicants who are not necessarily the best qualified for a particular post. They further state (2006:183) that the selection process also relies on line managers to assist in developing job specifications and wording for job descriptions;

this is critical in determining the needs of the particular position and the best qualified applicants.

Byars and Rue (2000:3) state that human resource functions refer to those tasks and duties performed in both large and small organisations to provide for the coordination of human resources. These human resources functions encompass a variety of activities, which significantly influence and affect all areas of an organization (Grobler *et al.*, 2006:183).

The following are the six major functions of human resources management:

- Human resources planning, recruitment and selection
- Human resources development
- Compensation and benefits
- Health and safety
- Employee and labour relations
- Human resources research

3.6 EMPLOYEE INDUCTION

Bloisi (2007:165) states that induction comes into play once the successful applicants have been chosen, the offers have been made, and the contractual terms and starting date have been agreed. Its general purpose is to ensure the effective integration of staff into or across the organization, for the benefit of both parties (Bloisi, 2007:165).

Bloisi (2007:165) further mentions that starting a new job could clearly be very stressful. New recruits need to learn about and become acquainted with their employing organisation, employment conditions, their colleagues, line managers and the way in which things are done (Bloisi, 2007:165).

The author points out that induction provides employers with the opportunity to welcome new entrants, give them the information they require to operate in their new work environment, and support their acclimatisation. It is the view of Bloisi (2007:165) that, from an employer or manager's perspective, this is a critical phase, because a poor induction programme could wipe out all the potential selection gains, leading to the following situation:

- Discord
- Low morale, particularly for new employees
- Loss of productivity and, in extreme cases, the avoidable costs of finding further staff if the new recruits leave or are dismissed (Bloisi, 2007:165).

Bloisi further suggests (2007:166) that the induction should, at a minimum, include the following:

- Details of the organisation's history, products and services.
- A site map/description, indicating the location of different facilities.
- An organisational orientation, showing how the new employee is to fit into teams and wider organisational structures.
- Job requirements.
- Terms and conditions.
- Health and safety information required by law under the Health and Safety at Work Act of 1974.
- Company rules and policies (e.g. disciplinary and grievance procedures and equal opportunities policies).
- Employee development opportunities, sports and social amenities, and other employee benefits (Bloisi, 2007:165).

Bloisi (2007:165) further defines induction as a means to ensure the effective integration of staff into or across the organisation, for the benefit of both parties. Moreover, he views induction as a process that provides the employer with the opportunity to welcome new colleagues, give them the information they require to operate in their new work environment, and support their acclimatisation. The nature of induction varies in context, length, etc., according to the size of the organization, the type of recruit and good practices (Bloisi, 2007:165).

Bloisi (2007:166) has further outlined the main advantages of formal induction programmes as follows:

- To enable a spread of information inputs over a longer period, allowing the more gradual assimilation by the new recruits.

- To enable economies of scale in terms of time and costs in dealing with groups rather than individual inductions.
- To ensure consistency of information and to enable a common, positive message to be conveyed in a variety of media.
- To facilitate the development of work relationships through team-building events and more informal socialising (Bloisi, 2007:166).

Swanepoel *et al.* (2006:299) further define induction as a structured process involving the welcoming, receiving and introduction of newly appointed employees and providing them with the necessary information as soon as possible. This helps to ensure that they will start to enjoy their work and become productive at work as soon as possible. They also mention (2006:299) that the process is intended to make the newcomer feel at ease and that its objectives therefore involve the following:

- Reducing anxiety/tension.
- Creating a feeling of security as soon as possible.
- Creating realistic expectations regarding the post.
- Creating a foundation for the integration of personal and organisational objectives.
- Making employees productive as soon as possible (Swanepoel *et al.*, 2006:299).

3.6.1 Induction, Motivation and Retention

Grobler *et al.* (2006:206-207) define induction, motivation and retention as part of the process of integrating new employees into organisations and acquainting them with the details and requirements of the job. It may therefore be regarded as a process through which employees are transformed from complete outsiders to participating and effective members of organisations. This process may take place either through a formal programme or an informal introduction (Grobler *et al.*, 2006:206-207).

3.6.2 Objective of Induction

Grobler *et al.* (2006:207) highlight the following important induction objectives:

- Acquainting new employees with job procedures.

- Establishing relationships with co-workers, including subordinates and supervisors.
- Creating a sense of belonging among employees by showing them how their job fits into the overall organisation.
- Acquainting new employees with the goals of the organisation.
- Indicating to the employees the preferred means through which these goals should be attained.
- Identifying the basic responsibilities of the job.
- Indicating the required behavioural patterns for effective action (Grobler *et al.*, 2006:207).

3.7 CHALLENGES OF HUMAN RESOURCES MANAGEMENT

Brewster, Corey, Dowling, Grobler, Holland and Warnich (2003:248) define human resources systems as a means to ensure an ethical culture. This is because ethics pervades selection and staffing, including performance appraisal, compensation and retention decisions. They further mention that human resources systems and ethical corporate cultures should be considered as partners in the process of creating a competitive advantage for organisations (Brewster *et al.*, 2003:248).

Byars and Rue (2000:7) state that human resources management has expanded and moved beyond the mere administration of the traditional activities of employment labour relations, compensation and benefits. They contend that HRM has become much more integrated into both the management and the strategic planning processes of organisations (Byars and Rue, 2000:7).

Byars and Rue (2000:7) argue that one reason for this expanded role is that the South African organisational environment has become much more diverse and complex. Compared to a workforce historically dominated by White males, today's workforce is very diverse and is projected to become even more so. It is their view that diversity in the workforce encompasses many different dimensions, including gender, race, national origin, religion, age and disability. Diversity in the workplace presents new and different challenges for all managers. Other challenges are the results of changes in government requirements, organisational structures, and technology and management approaches (Byars and Rue, 2000:7).

3.8 DIVERSITY MANAGEMENT AND REGULATORY CHALLENGES

Bloisi (2007:373) argues that diversity consists of visible and non-visible differences, which include factors such as sex, age, background, race, disability, personality and work style. He further states that it is founded on the premises that harnessing these differences will create a productive environment in which everybody feels valued, talents are fully utilized, and organisational goals are met (Bloisi, 2007:373).

According to Amos *et al.* (2008:165), crucial players in the management of diversity are line managers, especially as regards their attitudes towards subordinates. It is generally accepted that attitudes and beliefs about a disadvantaged group contribute strongly to the way in which its members behave. Amos *et al.* (2008:165) contend that traditional stereotypes with regard to the supposed low ability and apathy of underprivileged persons could serve as self-fulfilling prophecies (Amos *et al.*, 2008:165).

Amos *et al.* (2008:165) argue that although many Blacks have been promoted, they may fail to perform, because managers expect them to fail and treat them in ways that deny them the opportunity to prove their competence. Furthermore, when managers have reservations about the abilities of their employees, they tend not to give them an opportunity to apply their skills so as to prove them (Amos *et al.*, 2008:165).

3.9 INTERNAL STAFFING

Amos *et al.* (2008:114-115) point out that staffing an organisation involves bringing in suitable people who will not only fit into a particular job, but also into the business as an organisation. The appointment of suitable staff, their integration into the organisation, their day-to-day management and their retention determine the success and survival of an organisation. Hence the staffing process involves the following activities:

- Human resources planning and job analysis
- Recruitment
- Selection
- Orientation

The organisation's aim should be to staff the business with the best possible people to achieve organisational goals (Amos *et al.*, 2008:114-115).

Amos *et al.* (2008:89) further define the human resources planning activities of organisations from two perspectives. For example, traditionally, the focus has been on determining both the existing and the future human resources requirements of an organisation, so that plans could be developed to ensure that the organisation's requirements are met. These requirements could then be arranged into jobs, and these jobs into the organisation's structure or hierarchy (Amos *et al.*, 2008:89).

3.9.1 Human Resources Planning

Amos *et al.* (2008:97) refer to human resources planning as an important function for the growth and success of any business; it is an integral part of a business and is directly related to the formulation and implementation of its business strategy. They further state (2008:97) that large organisations employ specialists and even set up departments that often use complex quantitative techniques and computers to develop human resources plans for the organisation. In smaller organisations, the human resources planning responsibility is usually that of the business managers (Amos *et al.*, 2008:97).

Amos *et al.* (2008:97) also explain that human resources planning entail the future scope and nature of the work that needs to be done in the organisation and putting plans in place that will ensure that the organisation meets these staff requirements. It further involves identifying the jobs that need to be filled, the number of staff required and their competencies, as well as looking outside the organisation to determine the availability of the required staff in the labour market (Amos *et al.*, 2008:97).

3.10 SUMMARY

From the above review of various literature texts, it may be concluded that there is an interrelationship between the various recruitment stages. Recruitment may be one way of building intellectual capital, but it is of little use if an organisation cannot retain its key employees.

An environment that will boost the morale of employees must be created. Any organisation that does not possess a good human resources attraction and retention strategy is faced with the challenge of losing valuable employees. It is clear that recruitment is an ongoing process that needs to be actively managed to lower staff turnover rates.

The vacant positions in the organogram should be filled to avoid heavier workload/more overtime for individual employees. If the abovementioned recommendations are considered by the Provincial Administration, the assumption can be made that there will be a reduction in staff turnover, with an improvement in service delivery.

The next chapter seeks to present the theoretical background to staff retention strategies. The theory discussed in Chapter Four will be used as a basis for the investigation of HR managers and practitioners' views about current staff retention strategies at the selected departments in the Eastern Cape Provincial Government.

CHAPTER FOUR

RETENTION OF HUMAN RESOURCES

4.1 INTRODUCTION

Chapter Four will provide a literature review and a theoretical framework concerning employee retention and the causes of turnover, the impact of a high turnover rate, communications network, compensation system and benefits, health and safety, and the measurement of accidents in a work environment. An organisation should establish a series of values as the basis for its institutional culture, such as honesty, excellence, attitude, respect and teamwork. An organisation that creates the right culture will enjoy a distinct advantage when it comes to attracting and keeping good employees.

4.2 MANAGING EMPLOYEE RETENTION

According to Phillips and Connell (2003:1), employee turnover is important to organisations, individuals, and society. From an organisational perspective, a high employee turnover rate represents significant costs in terms of recruiting, training, socialisation and disruption, as well as a variety of indirect costs.

Phillips and Connell further contend that it is important for the manager and prospective manager to be able to analyse, understand and effectively manage employee turnover (Phillips & Connell, 2003:1).

Phillips and Connell (2003:3) further state that becoming an employer of choice often involves the issue of acquiring the best talent for the organisation, motivating employees to improve performance, keeping staff satisfied and loyal, developing employees so that they can grow and contribute skills, and ultimately retaining those employees. The most impressive development is the elevation of retention to the strategic levels of the organisation (Phillips & Connell, 2003:3).

To devise effective strategies, the theory of what motivates employees must be considered. The theory will help in assessing at what level of motivation the employees are and how this information could be used to adjust strategies accordingly.

4.3 THEORY OF MASLOW'S HIERARCHY OF NEEDS

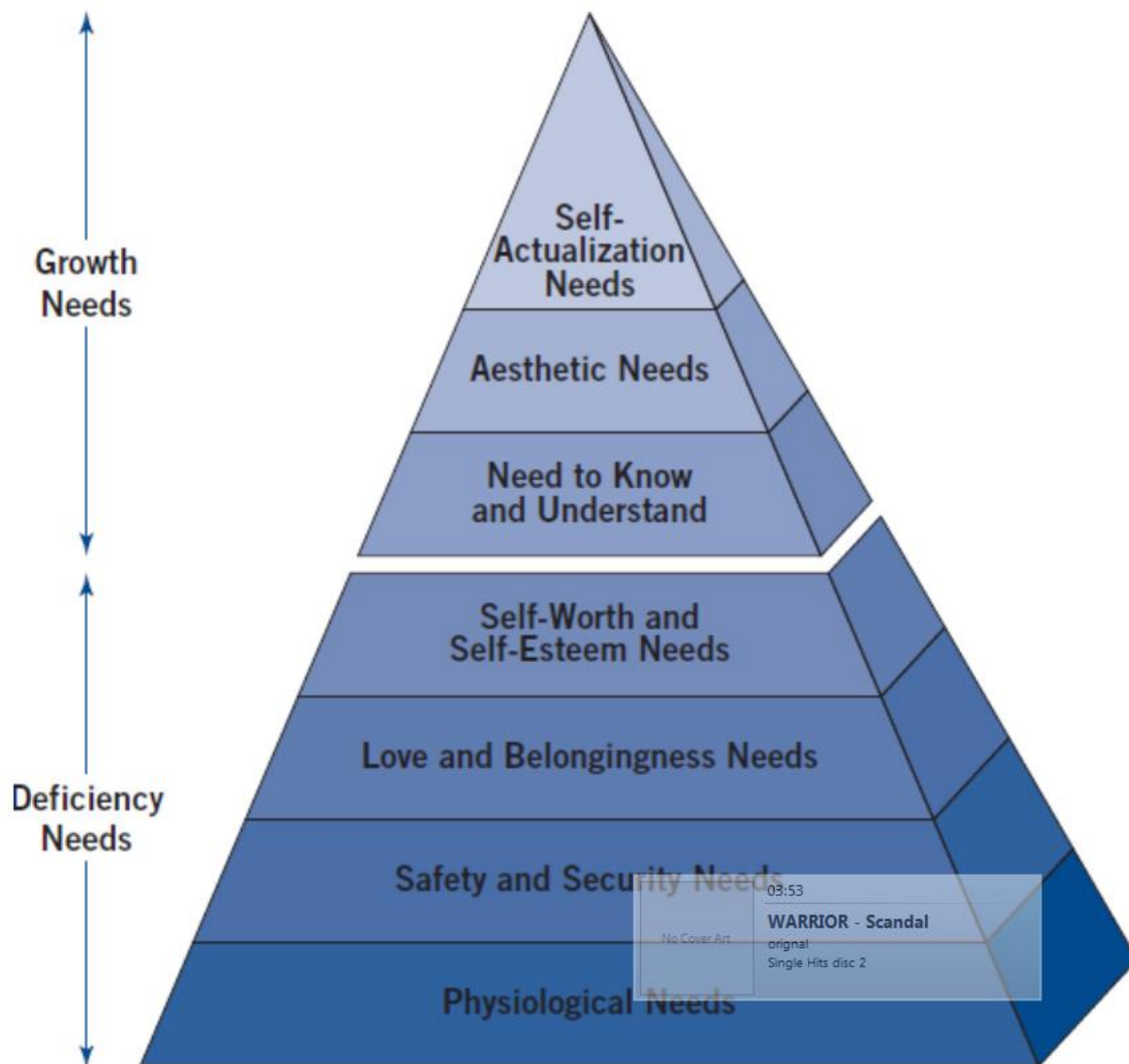
Maslow's hierarchy of needs is a well-known motivation theory. Due to the popularity of this hierarchy, Clayton Alderfer also created the Existence, Relatedness and Growth (ERG) theory, which is a modification of Maslow's theory (Moorhead & Griffin, 1995:86).

Maslow's theory divides individual needs into seven basic categories, and the needs are then ranked by their level of importance. As shown in **Figure 4.1**, the needs on the bottom of the pyramid are the most basic needs, while those at the top are the most highly ranked and most difficult to reach needs (Schultz, Bagraim, Potgieter, Viede and Werner, 2003:55).

Initially, Maslow did not develop the theory for use in organisational Management; it was only twenty years later that he agreed that his theory could be related to organisational human behaviour. This was after the theory had been popularised in management books by authors such as Douglas McGregor (Luthans, 1992:157; Schultz *et al.*, 2003:55).

Maslow believes that individuals would start at the bottom of the pyramid and work their way up. He also contends that an individual would need to first satisfy one level of needs to get to the next level (Schultz *et al.*, 2003:55).

Figure 4.1: Application of Maslow's hierarchy of needs



Source: Schultz *et al.* (2003:55)

4.4 NEGATIVE IMPACT OF TURNOVER ON ORGANISATION

Phillips and Connell (2003:4-6) have identified the following eleven categories of negative impact of staff turnover on an organisation:

4.4.1 High Financial Cost

The turnover has a huge economic impact on the organisation (both direct and indirect costs). Sometimes, the cost impact alone causes it to become a critical strategic issue. In most instances, the performance of organisations is inhibited by high turnover rates.

4.4.2 Survival is an Issue

In a tight labour market where the success of organisations depends on employees with critical skills, recruiting and retaining the appropriate talent can determine the success or failure of the organisation.

4.4.3 Exit Problems and Issues

With increased litigation in the workplace, many organisations spend significant time and resources addressing the issues of disgruntled and departing employees. Some individuals opt to involve the legal system, leaving the organisation with the challenge of facing an even bigger problem. Even employees, who leave voluntarily, can cost the organisation time and money.

4.4.4 Productivity Losses and Workflow Interruption

In most turnover situations, a person who exits abruptly leaves a productivity gap. This void not only causes problems for the specific job performed by the departing employees, but also for others in the same team and within the flow of work.

4.4.5 Service Quality

With so much emphasis being placed on providing excellent service to external and internal customers, high turnover has a tremendously negative impact on the quality of customer service. Turnover among front-line employees is often regarded as the most serious threat to providing excellent external customer services.

4.4.6 Loss of Expertise

A departing employee may have the critical skills needed for working with specific software, completing, a step in an important process, or carrying out a task for a project. Sometimes an entire product line may suffer because of a departure. A lost employee may be impossible to replace.

4.4.7 Loss of Business Opportunities

Turnover may result in a shortage of staff for a project, or leave the remaining staff unprepared to take advantage of a new business opportunity. Existing projects or contracts may be lost or late, because a key player is no longer available.

4.4.8 Administrative Problems

In most organisations, turnover creates a burden, involving administrative effort, not only in additional paperwork, but also in the time spent confronting and addressing turnover-related issues (Phillips & Connell, 2003:4-6).

4.5 DISRUPTION OF SOCIAL AND COMMUNICATIONS NETWORKS

Every organisation has an informal network. Turnover disrupts the communication and socialisation patterns critical to the maintenance of teamwork and a productive work environment.

4.5.1 Job Satisfaction of Remaining Employees

The disruptive nature of turnover is amplified when the remaining employees are forced to assume the workload of departing colleagues or address problems associated with the departure. The remaining team members may well be distracted by their concern and curiosity about why the employee is leaving.

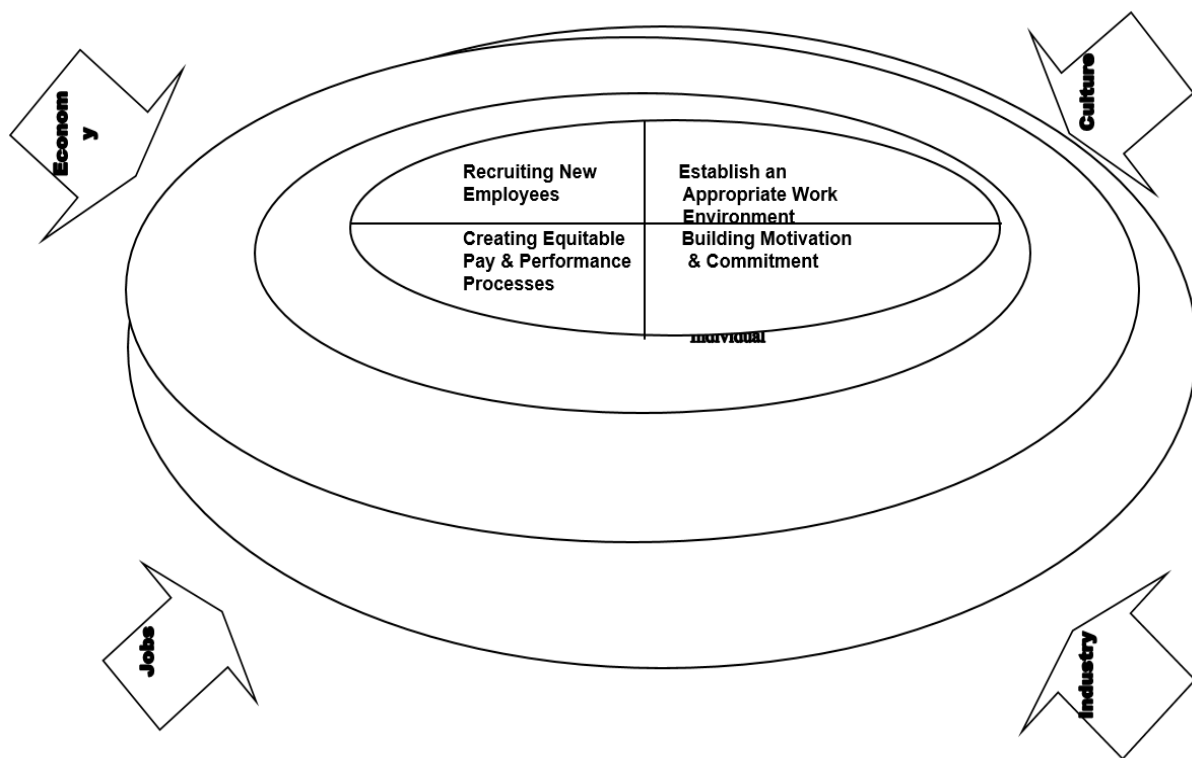
4.5.2 Image of Organisation

A high turnover rate creates a negative image of an organisation with a revolving door. Once this image has been established in the job market place, it is difficult to change, especially in the recruiting channels.

4.5.3 Range of Solutions

According to Phillips and Connell (2003:29-33), organisations are very creative in their approach to the turnover problem, resulting in many excellent solutions to a problem. The critical issue is to ensure that the solution is feasible for the organisation. The following **Figures: 4.2 and Table 4.1** Shows the various major categories of needs and solutions and major influences on turnover (Phillips & Connell, 2003:29-33).

Figure 4.2: Major categories of needs for turnover problems



Source: Phillips and Connell (2003:29-33)

Table 4.1: Typical Solutions for Managing Employee Retention

Category	Need	Solutions
Chapter Six: Solution Set: Recruiting New Employees		
1. Image	To work in an organisation with a positive public image	Maintain a strong, positive organisational image
2. Marker performance	To work in an organisation with a solid performance future	Improve and maintain profitability and performance
3. Recruitment	To be attracted to a specific organisation	Recruit good employees who fit the organisational culture
4. Selection	To be selected fairly and offered a job in a timely manner	Manage a fair, equitable selection programme
5. Job fit	To have an appropriate job that meets expectations and skills requirements	Place employees in jobs that match their skills and talents
6. Orientation and initial training	To adapt quickly to the job, team, and organisation	Provide a formal orientation, socialisation and training experience

Category	Need	Solutions
Chapter Seven: Solution Set: Establish an Appropriate Work Environment		
7. Job satisfaction	To be satisfied with key aspects of the job	Design a job and work environment to meet employee needs
8. Workplace design	To have an attractive, comfortable and productive work setting	Create professional, attractive work areas that support job functions and promote efficiency and productivity
9. Safety	To feel safe at work	Sustain a viable workplace safety programme
10. Job Security	To have a secure job; to feel confident about job	Maintain viable workforce stability
11. Culture	To work in a culture that supports individual values, respect and dignity	Create and sustain a culture that provides individual values and respect
12. Life balance	To work in a climate that supports a balance between work, family and personal interests	Create family support and life balance programmes
13. Diversity	To be recognised as individuals, regardless of differences	Build and support a fair and equitable diversity programme
Chapter Eight: Solution Set: Creating Equitable Pay and Performance Processes		
14. Pay	To be paid fairly and equitably	Use a pay system that is fair, equitably and competitive
15. Benefits	To have competitive benefits to meet individual needs	Offer economically feasible employee benefit programmes, tailored to individual needs
16. Rewards and recognition	To be rewarded and recognized for contribution	Implement a rewards and recognition programme tailored to individual needs
17. Job performance	To know performance expectations for success and growth	Implement a performance management process
Chapter Nine: Solution Set: Building Motivation and Commitment		
18. Quality of leadership	To have a leader who is respectful and who inspires employees	Provide leadership mentoring, development training and development

Category	Need	Solutions
19. Empowerment	To be involved in job decisions and allowed to take action on job issues	Implement and manage an empowerment programme
20. Ethics and trust	To work in a trusting and ethical environment	Implement an ethics programme, treat employees fairly, openly and honestly
21. Organisational commitment	To be attached to the company, the team, and other employees	Create team building programmes to improve employee commitment at all organisational levels
22. Professional growth and career advancement	To develop a variety of skills and competencies to have the opportunity to grow and prosper with the organisation	Offer a variety of training and development programmes to improve skills; implement a career management system

Source: Phillips and Connell (2003:29-33)

4.6 HUMAN RESOURCES MANAGEMENT IN SOUTH AFRICA

According to Budhwar and Debrah (2001:222), during the Apartheid era, the South African economy was characterised by high levels of protectionism, backed up by a range of development incentives geared towards the nurturing of an indigenous industrial sector, with state-owned enterprises dominating key sectors, such as steel and transport (Budhwar and Debrah, 2001:222).

Budhwar and Debrah further state that a premium was placed on job creation for white workers in the state sector. The desire to heighten racial segregation led to a range of decentralisation incentives, aimed at encouraging firms to relocate to the rural periphery – a policy that proved both costly and unsustainable. The South African economy faced increasing difficulties in the late 1970's and 1980's on account of growing disinvestment, as a result of escalating political resistance and international pressure and direct economic sanctions, most notably a fuel embargo (Budhwar and Debrah, 2001:222).

4.7 TURNOVER AND ITS CAUSES

4.7.1 Voluntary

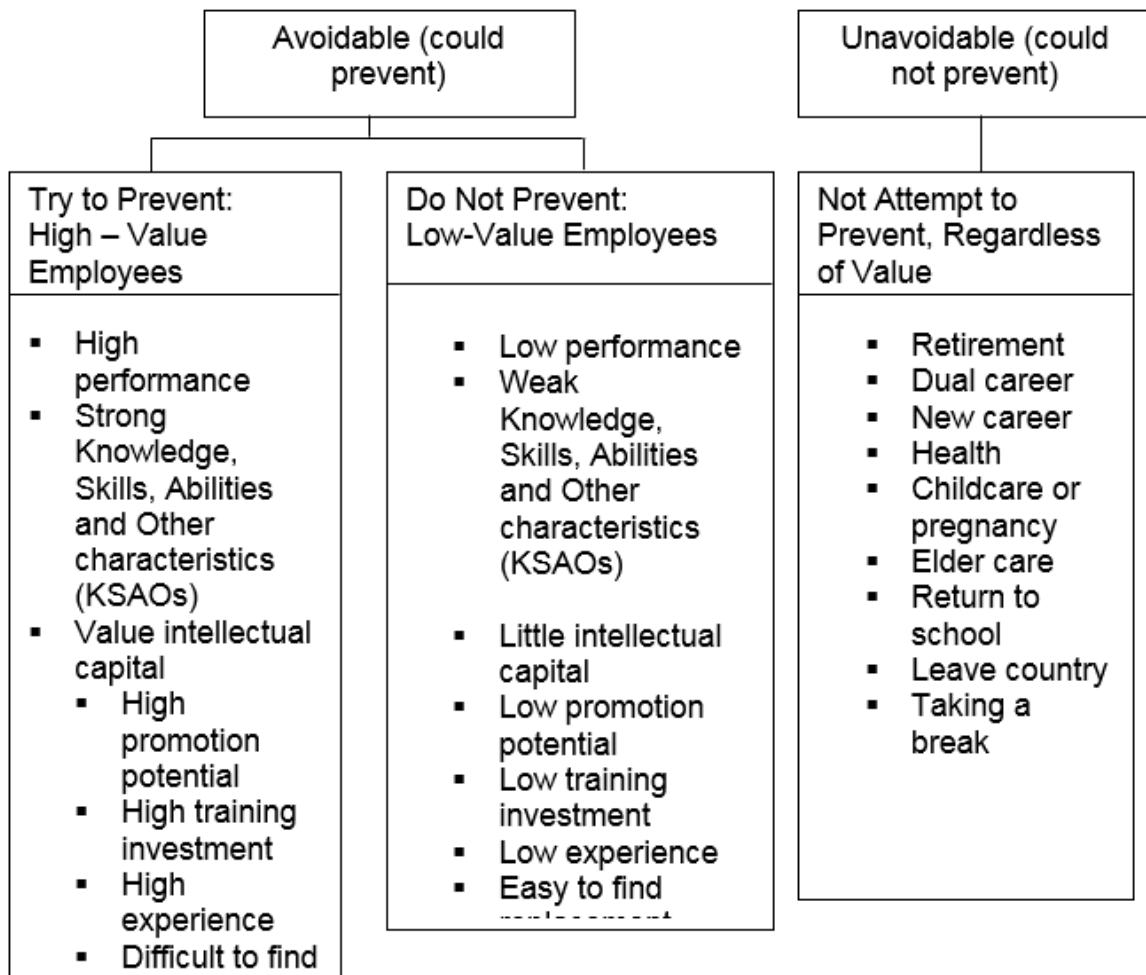
According to Heneman III and Judge (2009:671-676), voluntary turnover, can be broken down into avoidable and unavoidable turnover. Avoidable turnover is that which potentially could have been prevented by certain organisational actions, such as a pay increase or a new job assignment. They further state that unavoidable turnover represents employee quits that the organisation probably could not have prevented, such as people who quit and withdraw from the labour force through retirement or returning to school. Other examples of unavoidable turnover are people who quit due to dual career problems, the pursuit of new and different careers, health problems that require taking a different type of job, child care and elder care responsibilities, or immigration. They further mention that the line of demarcation between avoidable and unavoidable turnover depends on the decision by the organisation as to exactly what types of voluntary turnover it thinks it could potentially prevent (Heneman III and Judge, 2009:671-676).

4.7.2 Involuntary

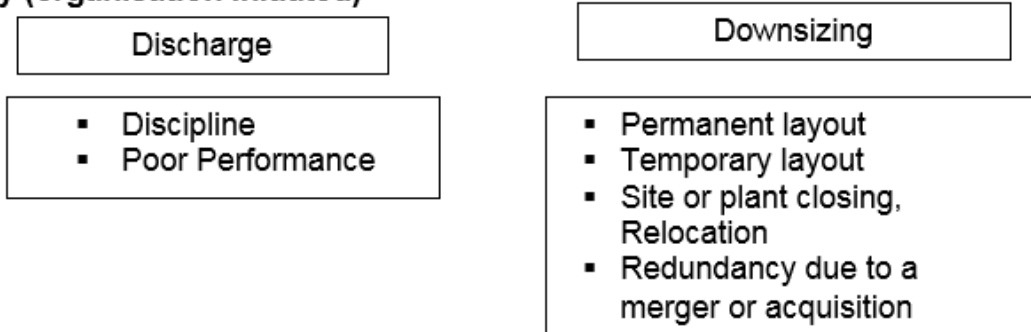
Heneman III and Judge state that involuntary turnover is split into discharge and downsizing types. Discharge turnover is aimed at the individual employee, due to discipline and/or job performance problems. They further mention that downsizing turnover typically targets groups of employees and is also known as a reduction in the force. It occurs as part of an organisational restructuring or cost reduction programme to improve organisational effectiveness and increase shareholder value as shown in **Figure 4.3** (Heneman III & Judge, 2009:671-676).

Figure 4.3: Types of employee turnover

A. Voluntary (Employee initiated) -



Involuntary (organisation initiated)



Source: Heneman III & Judge (2009:676)

4.8 COMPENSATION SYSTEM AND BENEFITS

According to Mondy and Noe (2005:6), a well thought-out compensation system is one that provides employees with adequate and equitable rewards for their contributions

to the meeting of organisational goals, also covering the total of all rewards provided to employees in return for their services. The rewards may entail one or a combination of the following:

- 4.8.1 Pay:** The money that a person receives for performing a job.
- 4.8.2 Benefits:** Additional financial rewards, other than base pay, including paid vacations, sick leave, holidays and medical insurance.
- 4.8.3 Non-financial rewards:** Non-monetary rewards, such as enjoyment of the work performed or a satisfactory workplace environment that provides flexibility (Mondy *et al.*, 2005:6).

Compensation administration is one of management's most difficult and challenging human resources areas, because it contains many elements and has a far-reaching impact on an organisation's strategic goals. Mondy *et al.* (2005:284) also affirm that compensation is the total of all rewards provided to employees in return for their service (Mondy *et al.*, 2005:284).

In contrast, Byars and Rue (2000:368) define employee benefits as those rewards that employees receive for being members of an organisation and for their positions in the organisation: such benefits are usually not related to employee performance (Byars and Rue, 2000:368).

Byars and Rue (2000:370) further highlight the major categories of benefits as follows:

- Legally required
- Retirement related
- Insurance related
- Payment for time not worked
- Others, such as severance pay and recreation facilities (Byars and Rue, 2000:370).

4.9 HEALTH AND SAFETY

Mondy *et al.* (2005:360) state that safety involves protecting employees against injuries caused by work-related accidents. Health refers to employees' freedom from physical or emotional illness. Problems in these areas may seriously affect productivity and the quality of work life. In some cases, they can dramatically lower an organisation's effectiveness and employee morale. Job related injuries and illnesses are more common than most people realise (Mondy *et al.*, 2005:360).

The most important legislation with regard to health and safety is the Occupational Safety and Health Act (OSHACT) of 1970. The purpose of this Act is to ensure a healthy and safe workplace for every employee. All organisations must strive to achieve this if they are to reach their full productive potential (Mondy *et al.*, 2005:360).

These aspects of the job are important, because employees who work in a safe environment and enjoy good health are more likely to be productive and to yield long-term benefits to the organisation. Recently, organisations have become more attentive to their employees' health, safety and wellbeing (Mondy, *et al.*, 2005:6-7).

According to Byars and Rue (2000:459), the Act proposes to enforce the following:

- Encouraging employers and employees to reduce workplace hazards and implementing new or improving existing safety and health programmes.
- Providing for research in occupational health and safety and developing innovative ways to deal with occupational health and safety problems
- Establishing separate but dependent responsibilities and rights for employers and employees for the achievement of better health and safety conditions.
- Maintaining a reporting and record-keeping system to monitor job related injuries and illness.
- Establishing training programmes to increase the number and competence of occupational health and safety personnel.
- Developing mandatory job health and safety standards and enforcing them effectively
- Providing for the development, analysis, evaluation and approval of state occupational health and safety programmes (Byars and Rue, 2000:459).

Byars and Rue (2000:459) further point out that the OSHA establishes legally enforceable standards relating to employee health and safety. Usually human resources departments are responsible for familiarising themselves with these standards and ensuring that their organisations comply with these (Byars and Rue, 2000:459).

4.10 HOW TO MEASURE ACCIDENTS

Accident frequency and accident severities are the two most widely accepted methods for measuring organisations' safety records. (Byars and Rue, 2000:463). A frequency rate is used to indicate how often disabling injuries occur. These are injuries that cause an employee to miss one or more days of work following an accident. Disabling injuries are also known as lost time injuries. A severity rate indicates how severe the accidents were, by calculating the length of time employees were out of work (Byars and Rue, 2000:463).

Byars and Rue (2000:463) further explain that only disabling injuries are used in determining frequency and severity rates. **Figure 4.4** presents the formulas for calculating an organisation's accident frequency and severity rates.

Figure 4.4: Measurement of Accidents

Frequency Rate:
$$\frac{\text{Number of disability injuries} \times 1 \text{ million}}{\text{Total number of labour – hours worked each year}}$$

Severity Rate:
$$\frac{\text{Days lost due to injury} \times 1 \text{ million}}{\text{Total number of labour hours worked each year}}$$

Source: Byars & Rue (2000:463)

4.11 WORKING ENVIRONMENT

According to Mondy *et al.* (2005:341), the physical environment of the job must also be satisfactory and the psychological climate must be positive. Employees can draw satisfaction from their work through several important non-financial factors, such as reasonable employer policies, competent supervisors, congenial co-workers, appropriate status symbols, and pleasant physical working conditions. Another factor

of increasing importance is the degree of flexibility employees enjoy in their work situation (Mondy *et al.*, 2005:341-343).

Below is a summary of the necessary requirements that these authors have identified:

4.11.1 Sound Policies

Human resources policies and practices reflecting management's concern for employees could serve as positive rewards.

4.11.2 Competent Employees

Successful organisations emphasise continuous development and ensure the employment of competent managers and non-managers.

4.11.3 Congenial Co-Workers

Although a few individuals in the workplace may be quite self-sufficient and prefer to be left alone, they could become isolated in the team-oriented organisations that exist today. It is very important that management develops and maintains congenial workgroups. A workgroup's need for creativity may require individuals with diverse backgrounds, but the team members must be compatible in terms of sharing common values and goals.

4.11.4 Appropriate Status Symbols

Status symbols are organisational rewards that take many forms, such as office size and location, desk size and quality, floor covering, private secretaries and job titles. This approach must also reflect a concern about the adverse effect they may have on creating and maintaining a team spirit among members at various levels in the organisation.

4.11.5 Working Conditions

Many organisations consider numerous additional factors as important. A flexible workplace, featuring such practices as flexitime and telecommuting, definitely enhances the non-financial compensation package. The benefits of a flexible workplace include increased productivity, improved recruitment, the improved

retention of employees, and enhanced organisational image. Practices could include a compressed workweek, job sharing, flexible compensation, telecommuting, part-time work, and modified retirement.

Hollenbeck, Gerhart and Wright (2003:265-266) define employees' perceptions of two characteristics of the work environment, i.e. situational constraints and social support.

4.11.6 Situational Constraints: These include a lack of proper tools and equipment, material and supplies, budgetary support, and time.

4.11.7 Social Support: This refers to managers and peers' willingness to provide feedback and reinforcement.

Hollenbeck *et al.* (2003:265) further state that to ensure that the work environment enhances trainees' motivation to learn, managers need to ensure that they do the following:

- Providing material, time, job-related information and other work aids necessary for employees to use new skills or behaviour before participating in training programmes.
- Speaking positively about the company's training programmes to employees.
- Letting employees know that they are doing a good job when they introduce training content in their work.
- Encouraging work group members to involve each other in trying to use new skills in the job by soliciting feedback and sharing training experiences and situations in which training content was helpful.
- Giving employees time and opportunities to practise and apply new skills and behaviours in their work (Hollenbeck *et al.*, 2003:265)

4.11.8 Workplace Relations with Co-Workers

Milne (1998:6) asserts that a key objective of a transformational programme is to lay the legislative foundation for a move away from the South African history of discrimination, adversarialism and confrontation in the workplace.

Clearly, one should not appoint unsuitable or incompetent people on the basis of their colour, historically disadvantaged state or other arbitrary grounds intended to ensure the advancement of unqualified persons. Affirmative action must be rooted in the principles of justice and equity (Milne, 1998:7).

It should be remembered that the workplace provides a forum within which it is easy to air opinions that were formed without any link whatsoever to the realities of the work experience. Everything takes place in a context in which the common experience of work may not have any connection with the appraisal and perceptions that are being expressed, and still less with interpretations (Wets, 2000:231).

4.12 ASSESSING AND DEVELOPING HUMAN RESOURCES

4.12.1 Employee Training, Management Development and Career Management

Wilson (2005:258) points out that training and development must ensure that a performance development review covers training that is specific to the job and that any training and development plan is focused on each individual's requirements. In order to prevent discrimination during the performance development review process, clear criteria must be applied to ensure that the assessment of skills against the skills needed to achieve current and future objectives is based on the individual's own career aspirations (Wilson, 2005:258-259).

4.12.2 Employee Training

Wilson (2005:4&6) defines training as a planned process aimed at modifying attitude, knowledge and skill behaviours through learning experience so as to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organisation.

Development is the growth and realisation of a person's ability through conscious or unconscious learning. Development programmes usually include elements of planned study and experience and are frequently supported by a coaching or counselling facility (Wilson, 2005:4&6).

Byars and Rue (2000:210) define training as a learning process that involves the acquisition of skills, concepts and rules or attitudes intended to enhance the performance of employees. Generally, the new employee's manager has primary responsibility for job training.

Byars and Rue (2000:210) further mention that training is sometimes delegated to a senior employee in a department, regardless of the effect this has on the quality of training, which could significantly influence employees' productivity and attitude towards their work (Byars and Rue, 2000:210).

Byars and Rue (2000:210) point out that economic, social, technological and governmental change may significantly influence the objectives and strategies of organisations. Changes in these areas can soon render the skills learned today obsolete. Properly planned organisational changes and expansions can make it necessary for employees to update their skills or acquire new ones (Byars and Rue, 2000:210).

According to Swanepoel, Erasmus, Van Wyk and Schenk (2000:1), it is important to realise that without focus on the human side of organisations, South Africa will not become a globally competitive country. These authors argue that the ultimate goal of a country is to establish a society in which its entire people enjoy a decent standard of living and where economic growth maintains these standards. This means that the human side of organisations must be managed effectively, because it is interdependent with the role of employers and the state in a tripartite relationship aiming to achieve and maintain economic growth (Swanepoel *et al.*, 2000:1).

Swanepoel *et al.* (2000:2) further mention that employment relations concern the 'people side' of organisations, i.e. managing the relationships between organisations and the people employed by them.

In an attempt to define employment relations, Salamon (1992:29) observes that there are as many definitions as there are writers on the subject. Therefore, identifying one single definition that is acceptable to everybody would be virtually impossible. Salamon (1992:29), however, regards the following definitions as appropriate:

Employment relations refers to a complex system of individual and collective actions as well as formal and informal relationships existing between the state, employers, employees and related institutions, concerning all aspects of the employment relationship (Salamon, 1992:29).

The term 'employment relationship' is used to encompass the conflict between the state, employers, employees and related institutions, as well as the accommodation and reconciliation of their partly common and partly divergent interests in the actual work process in the organisation, and the distribution of the financial rewards that accrue from employment (Nel & Van Rooyen, 1989:4-5).

4.12.3 Training Needs Assessment

Byars and Rue (2000:2010) state that training must be directed towards the accomplishment of some organisational objectives, such as more efficient production methods, improved quality of products or services, or reduced operating costs. This means that organisations should commit their resources only to those training activities that will best help achieve their objectives (Byars & Rue, 2000:2010).

Needs assessment is a systematic analysis of the specific training activities an organisation requires to achieve its objectives, according to Byars and Rue (2000, 2010). Five methods can be used to gather needs assessment information, i.e. Interviews, surveys/questionnaires, observations, focus groups, and document examination. The authors further highlight the following focus areas in conducting training needs assessments among employees:

What problems is the employee having in his or her job?

What additional skills and/or knowledge does the employee need to better perform the job?

What training does the employee believe is needed?

4.12.4 Role of Government in Training

Besides its responsibility for ensuring peace and political stability, the State must also be committed to the development of policies aimed at the promotion of economic

growth and social development. The state's role in education and training is shaped by its overall mission of ensuring a better life for all its citizens (Van Dyk, Nel, Van Loedolff and Haasbroek, 2001:15).

Government should assume an active role in developing skills. The record shows that although an active role for governments may be appropriate, the nature of their involvement should evolve in tandem with institutional development and economic change. Interventions by government need to change as the economy and training needs change over time (Van Dyk *et al.*, 2001:16).

Historically, the role of government in training has been a limited one; private training markets were far more important. In the past it was the small enterprises that assumed a dominant role in skills creation, particularly in general training in transferable skills (Van Dyk *et al.*, 2001:16).

Van Dyk *et al.* (2001:16) further mention that the role of governments in training is deployed in three areas, i.e. providing supportive services, providing training itself, and providing finance for training (Van Dyk *et al.*, 2001:15).

According to Van Dyk *et al.* (2001:16-17), the wide range of supportive services offered by governments includes measures to create a climate conducive to training, thereby encouraging tripartite collaboration among government, employees and workers. Governments can enhance the appeal of vocational functions such as testing and certification, as well as research and curriculum development. Governments can also adopt measures to encourage and promote employer-based training by providing technical assistance, expertise and advisory services (Van Dyk *et al.*, 2001:15).

4.12.5 Training Benefits Models

Benefits models can be used to obtain better training outcomes for the same amount of money. The benefits model is also used to compare the relative benefits of two or more training approaches at a given cost level. One of the most important facts that must be established during a benefits analysis is the cost implications of inadequate training (Van Dyk, *et al.*, 2001:320).

The second step in designing training evaluation is to be clear about the objectives and goals of the training programme. This is the most important step. One of the primary reasons for the evaluation of training is to establish whether the goals of the programme have been achieved. Unless these goals are clearly spelled out from the beginning, meaningful evaluation after the completion of the programme will be impossible (Van Dyk *et al.*, 2001:332).

4.13 SUMMARY

In this chapter, various measures were discussed in relation to the retention of employees, such as compensation systems and benefits, health and safety, the working environment, employee training, management of staff development, performance management, appraisal, and the role of trade unions.

It has emerged that managers should possess an in-depth knowledge of employee motivation strategies. This will be possible only through a thorough assessment of their own developmental needs so that training can be targeted at empowering managers to be better equipped to motivate employees for superior performance.

Managers need to continuously modify their leadership styles, depending on their employees' ability to take responsibility for their own actions. This is a dynamic relationship that needs constant monitoring and adaptation on the part of the manager. Failure to use the appropriate leadership style will affect the level of motivation of employees. Institutions need to invest in the training and development of their managers to better equip them to implement motivational strategies so as to reduce turnover and ensure the retention of employees.

According to the literature consulted, turnover can be involuntary or voluntary. It is perceived that job satisfaction positively correlates with organisational commitment, and negatively with intentions to leave and actual turnover. Employees' decisions to leave can be influenced by many factors, such as internal/external antecedents and employee specific antecedents. Both direct and indirect costs are involved in employee turnover, which can be either financial or non-financial (such as employee morale), which all have an overall negative impact on the organisation. Further causes of turnover were identified as job burnout, stress, work-life balance, and pay benefits.

Turnover was discussed as offering promotional opportunities for other staff and new ideas from the newly hired, as well as cost savings.

Retention was described as a voluntary process between employers and employees and has become an essential part of day-to-day activities for management in order to keep the 'cream of the crop' and maintain a competitive advantage. The factors influencing the retention of knowledge workers were identified and discussed, also as relating to employee needs, the work environment, responsibilities, supervision, fairness and equity, employee development and a feedback culture. The challenge of employee loyalty and job mobility was discussed as a universal challenge and then as a challenge of generational issues in retention. A number of factors to consider when attracting and retaining knowledge workers were highlighted, such as compensation, job characteristics, training and development, supervisor support, career opportunities and work/life policies.

There is evidence that indicates that all the items discussed above are in one way or another interlinked. In other words, they cannot be treated in silos. For example, paying the highest salaries may not be enough to retain talented employees in government if issues such as working conditions are ignored. Therefore, this supports the argument that employee retention requires a holistic approach by the organisation.

Furthermore, this chapter highlighted in the literature review that high staff turnover levels may seriously affect the effectiveness of an organisation, if not addressed by management. Remuneration is one of the key factors affecting staff turnover. If employees are not satisfied with what they are paid, they normally leave to seek greener pastures. Employees need to be appraised in order to rate their performance and improve competence. Job dissatisfaction leads to increased staff turnover, which creates work overload for the remaining staff members. Performance management systems will be discussed in the next chapter.

CHAPTER FIVE

PERFORMANCE MANAGEMENT SYSTEM

5.1 INTRODUCTION

The democratic South African government is obliged to bring about a visible and tangible improvement in the provision of public services to all South Africans. It therefore must also extend services to historically neglected communities. It must also strive to ensure that the economy is geared for quality and growth, in every aspect of government; these challenges demand the development of a new ethos of service delivery. To achieve these goals, public officials are also required to improve their performance.

In this chapter, a theoretical overview of performance management is presented to create an understanding of the importance of performance management systems in organisations. A literature overview and a theoretical framework on performance management, focusing on performance management establishment, principles, objectives, systems, training, appraisals and benefits, are presented. The chapter concludes with a synopsis of the literature reviewed.

5.2 PERFORMANCE MANAGEMENT ESTABLISHMENT

Performance Management Systems were introduced by the Public Service Coordinating Bargaining Council (Resolution 13 of 1998), setting the framework for senior managers and all staff from Levels 1 to 12 to agree to individual performance agreements. Performance management is regulated by the Public Service Act, 1994 (Proclamation 103 of 1994): the Public Service Regulations, 2001 and collective agreement. Employees falling under the Senior Management Services (SMS) and all employees from Levels 1 to 12 (General Worker to Managerial Levels) are dealt with differently in terms of the prescribed principles. Performance management is, however, applicable to both categories of employees.

According to Wilson (2005:157-158), performance management is a broader term than appraisal and, as a concept or philosophy, should ideally be a systematic approach that encompasses the following:

- Motivation of employees to perform.
- Vision by employers as to what performance standards they expect of employees.
- Ownership of management of performance at a variety of levels within organisations.
- Monitoring and measurement of the performances achieved by employees (Wilson, 2005:157-158).

Joubert and Noah (2000:18) define performance management as a formal management process for harnessing and directing, measuring, evaluating and rewarding human effort, competence and talent in realising an organisation's mission and vision within a framework of core values.

According to Grobler, Warnich, Carrell, Elbert and Hatfield (2002:260), performance management is a systematic process through which an agency involves its employees, as individuals and members of a group, in improving organisational effectiveness in the accomplishment of the agency's mission and goals. It therefore involves a comprehensive approach to performance, which includes planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a holistic fashion, and rewarding good performance (Grobler, *et al.*, 2002:260).

Armstrong (2003:261) states that the principle of management by agreement or contract is what performance management is based on, rather than that of management by command. Performance management therefore emphasises the development of self-management learning plans: It also provides for an integrated and coherent range of human resource management (HRM) processes that are mutually supportive and therefore contribute to the improvement of organisational effectiveness (Armstrong, 2003:261).

According to Armstrong (2003:263), when performance management is effectively carried out, employees are made aware that their contributions are recognised and acknowledged. In support of accomplishing the strategic objectives of the organisation, performance management is used as an ongoing process of communication between a supervisor and an employee that occurs throughout the

year. The communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and evaluating results (Armstrong, 2003:263).

Roberts (2001:12) also describes performance management as an ongoing communication process, undertaken in partnership between an employee and the immediate supervisor. This process involves establishing clear expectations and understanding about the following issues:

- The essential duties the employee is expected to perform.
- How the employee's contribution fits in with the organisational goals.
- What executing one's duties well means in simple terms.
- How the supervisor will assist the employee in sustaining, improving or building on existing performance.
- How employee performance will be measured.
- The identification and removal of barriers to performance (Roberts, 2001:12).

According to Bloisi (2007:253), performance management is a process through which managers ensure that their employees' outputs match the organisation's goals. Therefore, performance management is vital if an organisation is to gain a competitive advantage. A performance management system should consist of the following three parts:

- It must specify which aspects of performance are relevant to the job (this can be achieved through the use of job analysis).
- It must measure the relevant aspects of employee performance (one method of doing this is through a performance appraisal system).
- It must provide feedback to employees so that they can adjust their performance to match the organisation's goals (Bloisi, 2007:253).

Carrell, Elbert and Hatfield (2000:224) refer to performance management as the toolbox that management uses to control, guide and improve the performance of employees. Tools such as reward systems, job design, leadership approaches, training efforts and performance appraisal can all be seen as part of an effective human performance management system and a big part of most managers' jobs. Furthermore, performance management is a management tool that links

organisational performance to individual performance. It seeks and identifies opportunities for growth and development. It should therefore be considered as a vitally important system within companies or organisations (Carrell *et al.*, 2000:224).

5.2.1 Purpose of Performance Management

Performance management generally has three major purposes according to Minty and Bennet (2001:58):

- A process for strategy implementation.
- A vehicle for culture change.
- Provision of input to other HR systems, such as development and remuneration.

Furthermore, Minty and Bennet (2001:58-63) state that, traditionally, organisations viewed performance management as serving human resources purposes, resulting in performance management systems being owned and driven by human resources departments. However, in organisations today, it is of critical importance that the primary purpose of performance management is seen to both serve as a process for implementing business strategy and as a vehicle for changing and creating the desired culture (Minty & Bennet, 2001:58-63).

The purpose of performance management is to establish shared understanding about what is to be achieved and to provide an approach to managing and developing people in a way that increases the probability that it will be achieved over the short and longer terms, according to Armstrong (2001:469).

5.2.2 Functions of Performance Management

According to Bloisi (2007:254-255), performance management serves strategic, administrative and development functions in organisations, which are explained below:

5.2.3 Strategic function

This is a continuous process, focusing on the future rather than the past. Taking a strategic approach to performance management involves aligning HR practices to both current and future performance.

A performance management system should be able to identify whether an employee's activities are meeting the organisation's goals. To do this, measurement and feedback systems are needed to identify whether this is happening. To achieve the strategic purpose, the system must be flexible; it needs to keep pace with the changing goals and nature of the organisation.

5.2.4 Development function

The development function of performance management should enable managers to identify when staff members are not performing well and how they can improve. The performance appraisal system often focuses only on an employee's poor performance, while it should also be used to develop the employee's work performances so as to enable him/her to progress through the organisation.

5.2.5 Administrative function

Many organisations use performance management to make decisions about salary, promotions, retentions, redundancies and recognition of individual performance as purely a box-ticking exercise rather than as a motivational tool that can improve performance.

To be effective, performance management systems need to link employee activities with the organisation's strategic goals. When this is done efficiently, competitive advantages can be achieved (Bloisi, 2007:254-255).

5.2.6 Leadership Development

According to Trompenaars and Hampden-Turner (2004:17), leaders can never be self-satisfied: given the turbulent white waters of the global economy, new challenges constantly emerge. It becomes very difficult for HRM to specify the capabilities required. The authors further mention that leaders must increasingly reconcile an ever-

widening spectrum of diversity. Different stages of economic cycles, different national cultures, different corporate cultures, different team roles, functions, status levels, learning styles, disciplines, and personalities all contribute to the distances a leader must somehow bridge (Trompenaars and Hampden-Turner, 2004:17).

5.2.7 Developing Talent for Business Leadership

Eledge (2010:155) states that talent development consists of planned experience, training and guided growth provided by an organisation in order to ensure an uninterrupted supply of competency in the business environment. He further emphasises that this is not a once-off learning event; rather, it is a continuous process.

Eledge (2010:155) further states that the ultimate goal of talent development programmes is to improve the leadership capabilities of those who perform managerial functions and to enhance the future performance and effectiveness of an organisation.

Eledge (2010:156) also mentions that the comprehensive and systematic development of leadership is more critical now than three decades ago, not only because of the impact of globalisation and rapid technological changes, but also because younger people are taking over the global executive positions previously occupied by baby-boomers.

He further states that, in the past, development focused essentially on preparing managers to climb the career ladder; today, development concentrates on providing managers with a resilient career and transforming them into global executives. He further mentions that development should be designed in such a way that it has the capacity to remould managers into individuals who are sufficiently equipped and confident to take on the awesome, but intrinsically satisfying, leadership challenge of making their organisations great (Eledge, 2010:155-156).

5.2.8 Executive Training is not Talent Development

According to Eledge (2010:157), training is the process of bridging the gap in knowledge, skills or attitude that is believed to affect the performance of an employee. The author further contends that development, on the other hand, is regarded as a process of acquiring leadership skills or preparing managers for leadership

responsibilities. He further states that training is tactical and linked to immediate performance gaps, while development is strategic and focuses on preparing for tomorrow's leadership in organisations (Eledge, 2010:157).

Eledge (2010:158) further state that training improves performance, while development enhances potential, because the outcome of development programmes is not immediate and the development process is continuous. He further mentions that it is usually difficult to measure the success of each event on its completion, whereas the outcome of training may be measured within three or six months of the completion of the learning event. However, training in the form of leadership or executive development programmes is not the same as talent development (Eledge, 2010:158).

5.2.9 Executive Development Training Programmes

Furthermore, according to Eledge (2010:158), executive development training programmes are planned learning experiences, designed and delivered to enable executives to perform their current jobs effectively by increasing their business skills, while also preparing them for effective leadership in the future. He further explains that the purpose of executive training is not only to prepare talent for higher level positions but, more importantly, to equip them sufficiently to meet the challenges in the rapidly changing international business environment. He further states that training is usually just an event and not a process within an integrated learning agenda. Many managers return with a lot of knowledge, but with no visible change in their leadership behaviours (Eledge, 2010:155-158).

5.3 PRINCIPLES OF PERFORMANCE MANAGEMENT

Armstrong (2000:15) suggests the following four underlying principles of effective performance management systems:

- The system must not be owned and driven by human resources departments, but by line management.
- Shared corporate goals and values must be emphasised.
- Performance management must not be a packaged solution, but something that is developed specifically and individually for each particular organisation.
- It should apply to all staff, not just management (Armstrong, 2000:15).

Armstrong (2001:469) expands on these principles as follows:

- Corporate goals through performance management must be translated into individual, team, department and divisional goals.
- The management system must assist in clarifying corporate goals.
- It is a continuous and evolutionary process, in which performance improves over time.
- It relies on consensus and cooperation, rather than control or coercion.
- Self management of individual performance is encouraged.
- It requires a management style that is open and honest and encourages two-way communication between superiors and subordinates.
- Constant feedback is required and ensured.
- Corporate objectives are modified through feedback loops by the experiences and knowledge gained on the job by individuals.
- It measures and assesses all performance against mutually agreed goals.
- It is not primarily concerned with linking performance to financial rewards and is applied to all staff (Armstrong, 2001:469).

From the literature reviewed, it is evident that for a performance management system to be effective, it should not be a top-down approach, but rather a shared approach; in other words, there must be a shared vision of the organisation's goals and objectives. Each employee must understand how each of his or her individual goals and objectives contributes to the strategy of the organisation as a whole, according to Schultz *et al.* (2003:76), who refer to this process as alignment.

Furthermore, the authors postulate that the alignment process will identify critical success factors and key performance areas for the organisation, and that the key result areas and key performance indicators for each person in the organisation are the measures used to judge his/her performance (Schultz *et al.*, 2003:76).

5.4 PERFORMANCE MANAGEMENT OBJECTIVES

The Performance Management System clearly outlines that performance management is aimed at planning, managing and improving employee performance. The aim of performance management is to optimise every employee's output in terms

quality and quantity, thereby improving the department's overall performance and service delivery. The most important performance objectives are as follows:

- Establish a performance and learning culture in the public services
- Improve service delivery
- Ensure that all job-holders know and understand what is expected of them
- Promote interaction on performance between job-holders and their supervisors
- Identify, manage and promote job-holder development needs
- Evaluate performance fairly and objectively
- Recognise categories of performance that are fully effective
- Manage categories of performance that are not fully effective and lower

Bennett and Minty (1999:20) regard the objective of performance management in the organisation as a process for strategy implementation, a vehicle for cultural change and input to other HR systems such as development and remuneration.

In summary, the objectives of performance management are as follows:

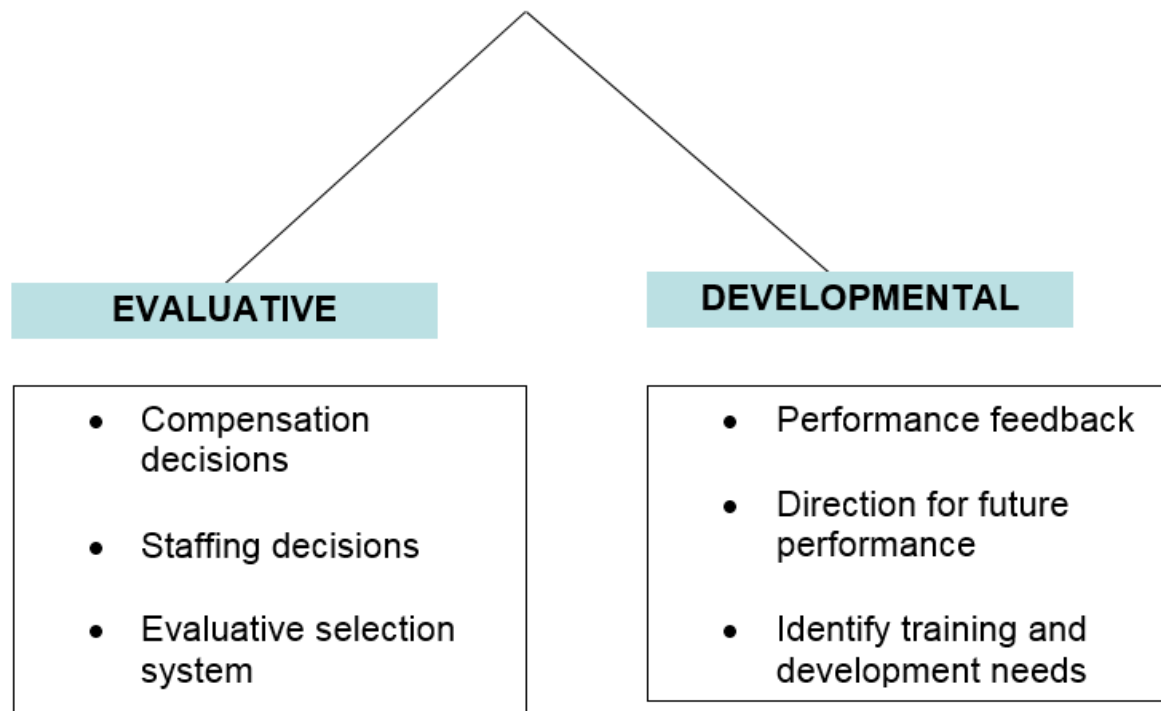
- To align employee's performance to departmental strategic and operational goals.
- To provide a systematic framework for performance planning, performance monitoring and review, and performance appraisal.
- To promote a shared sense of responsibility amongst staff for the achievement of strategic goals and objectives.
- To promote a culture transparency and participation through open dialogue about goals and achievement thereof, personal development, and performance improvement.
- To encourage managers to effectively create conditions for staff to perform optimally.
- To provide a framework of assessment for identifying good and poor performance, and to act appropriately through development and the recognition and rewarding of good performance.
- To serve as a vehicle to set, for all employees, clearly defined goals and objectives that are aligned with the business goals and strategies

- To identify and remove obstacles to performance.
- To measure individual performance against clearly defined goals and objectives.
- To provide assistance to individuals to develop their potential and to ensure growth in their ability to deliver results.
- To reinforce positive performance.
- To provide assistance in the management of poor performers.
- To recognise and reward employees for outstanding performance.
- To enhance the overall results of the organisation (Bennett and Minty, 1999:20).

It is the view of Grobler, *et al.* (2002:263) that a performance management system is a key element in the use and development of an organisation's most vital resource, i.e. its employees. For this reason, performance management systems are used for a wide range of administrative purposes, such as making decisions about pay, promotion and retention. Effective systems can significantly contribute to the satisfaction and motivation of employees, if correctly used (Grobler, *et al.*, 2002:263).

The objectives of the system fall into two categories: evaluative and developmental, as displayed in Figure 5.1.

Figure 5.1: Objectives of a performance management system



Source: Carrell *et al.* (2000:225)

5.4.1 Evaluative objective

Decisions concerning compensation, which include merit increases, employee bonuses and other increases in pay, are based on evaluative objectives.

Normally, performance management has a two-part effect on future pay. It may determine merit increases for the following year, in the short run, and in the long run, it may determine which employees are promoted to higher paying positions.

5.4.2 Developmental objective

This objective includes a focus on employee skills and motivation for future performance. Performance feedback is a primary developmental need, because all employees want to know how their superior views their performance (Grobler *et al.*, 2002:266).

5.5 HOW TO MANAGE PERFORMANCE MANAGEMENT SYSTEM

According to Armstrong (2008:26), performance involves the following three key activities:

- Defining expectations
- Monitoring and managing performance throughout the year
- Reviewing performance formally at periodic intervals, for example, once or twice a year (Armstrong, 2008:26).

5.5.1 Planning performance

Performance planning is carried out jointly by the manager and the individual members of the team. The aim is to reach an agreement on what needs to be done by both parties. The starting point for the plan is a role profile, which defines the results, knowledge and skills and behaviours required (Armstrong, 2008:167).

5.5.2 Monitoring performance

This is an integral part of the continuing process of management. It should not be left to the annual performance review. The process of continuing assessment should be carried out with reference to the agreed objectives and work, development and improvement plans. Progress reviews should not take place informally or through an existing system of team meetings (Armstrong, 2008:167-168).

5.5.3 Reviewing performance

Performance management is a continuous process, but it is still necessary to perform a formal review once or twice yearly. The true role of performance management is to look forward to what needs to be done to achieve the purpose of the job, to meet new challenges, to make even better use of employees' knowledge, skills and abilities, to develop their capabilities by establishing a self-managed learning agenda, and to reach agreement on any areas in which performance needs to be improved and on how that improvement should be achieved. This process also helps managers to improve their ability to lead, guide and develop the individuals and teams for whom they are responsible (Armstrong, 2008:168-169).

5.6 SUCCESSFUL AND EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM

According to Joubert and Noah (2000:16-20), the following are critical factors in the sustained success of a performance management system.

5.6.1 Focus

Every job must have a clear mission and a set of objectives, targets and measures. The core service mission, vision and set of strategic objectives and values of the organisation must be sound and be understood by every employee. Employees' role in the mission and objectives must be clear, in other words, every worker must know what he or she must contribute to ensure that the organisation's strategic objectives are realised.

5.6.2 Balance

The clients' portfolios and their satisfaction are key considerations in performance planning and measurement. The focus must be on internal and external as well as financial and non-financial results. Performance must be planned and measured to ensure that it is properly balanced.

5.6.3 Stretch

It is critical to induce individuals to set demanding objectives and targets that require more than ordinary effort. Easy goals and targets are sure to close individual energy taps sooner than intended.

5.6.4 Mobilisation

People are mobilised through challenges such as those that are found in objectives, targets and standards. Momentum is sustained by continuously reviewing the personal results that are to be achieved. Using a single set of factors that applies to all induces stagnation and the death of performance management.

5.6.5 Latitude

Space for self-direction and prioritisation in the context of the overall mission of the business is essential, as more value will be realised by the individual.

5.6.6 Contracting

Individuals must enter into agreements with their supervisors to access resources and sources of compensation.

5.6.7 Motivation

People need a continuous stream of recognition and support to stay inspired and content with the job.

5.6.8 Measurement

The popular saying based on business wisdom "*What gets measured gets done,*" holds true no matter on what level or in which job an employee has to perform.

The more specific and accurate the targets and measures are, the better the value contributions will be.

5.6.9 Appraisal

It is essential to put a score or value on the individual's achievements and to be sure that they are contextually ranked and objectively measured. The latest indications are that a four-point scale has the most impact on behaviour and performance results.

5.6.10 Feedback

Feedback induces behaviour change, irrespective of whether it is positive or negative, because appropriate feedback is the oxygen of excellent performance. However, embargoes must be placed on personal attacks that hurt the ego or self-concept of individuals – otherwise emotional disengagement is guaranteed.

5.6.11 Money

Paying for performance is the hallmark of excellence. Make sure that incentives for performance are differentiated from basic remuneration. Money is in the final analysis the tangible proof that the individual's contribution is appreciated.

5.6.12 Caring

Caring is shown through birthday cards, flowers, kindness and small gestures towards the family of the employee. It is the invisible compensation for loyalty and commitment. These factors are critical, but are often neglected in the hectic business environment (Joubert and Noah, 2000:16-20).

Renton (2000:40-45) views the requirements of an effective performance management system as follows:

- The performance management system is owned by line management and driven from the top of the organisation.
- Managers understand and accept the need to measure performance at all levels in a consistent way.
- Managers accept that the performance management processes that have been defined are needed in their business.
- Managers have the knowledge and skills needed and are committed to managing their subordinates (and to be managed) this way.
- The way in which consequences and rewards are managed in the organisation reinforces this process in a consistent and positive way.
- There are no other management processes in place that are in conflict with the performance management processes.
- The whole process is transparent and can be openly challenged and defended.
- Position guides clearly define the jobs of the team leader and all team members in output terms, without any gaps or overlaps.
- Each team develops measurable unit targets for the current planning period that reflect their contribution to implementing the short- and long-term strategies of the business.
- All the performance targets that are set add significant value to the business and stretch performance, yet they are achievable.
- Managers allocate all their unit targets between themselves and their team members, appropriately to the jobs they are doing.
- Managers negotiate with each of their team members on establishing specific, measurable and stretching performance targets, to which all are committed.
- Every team member sees the targets he/she personally accepted as contributing to his/her unit's performance targets equitably with other team members.
- Managers and their team members accept that their rewards should reflect their achievement of the targets they accepted.

- Managers regularly review both unit and individual performances with those concerned and take appropriate action to ensure that targets are reached or exceeded.
- Managers, jointly with each of their team members, assess each other's performance for the full period under review.
- Both manager and subordinate accept and sign off the subordinate's performance assessment as valid, balanced and fair.
- Recorded performance assessments for each unit clearly discriminate between the more effective and less effective performers.
- Consequences and rewards for each individual are accepted as fairly reflecting their unit results and their own individual performance.
- The effectiveness of the performance management system is formally evaluated at least once a year and appropriate improvements are made for the next cycle (Renton, 2000:40-45).

5.7 ROLE OF HUMAN RESOURCES MANAGEMENT IN PERFORMANCE MANAGEMENT

Ulrich and Boston (1997:45) outline the role of human resources in performance management and also discuss their role as business partners. It seems that human resources departments are often viewed as expense generators and not as value adding partners.

The role that human resources management should play lies in building a competitive organisation through the management of strategic human resources, transformation and change, firm infrastructure and employee contribution. Generally, line managers see human resources departments as performing administrative roles and, as a result, there is generally scant respect for them (Ulrich and Boston, 1997:45-46).

Although these roles are valid and have proven to be value adding in recent years, there is a critical need to move beyond the role of strategic business partner to becoming a player in the business (Ulrich and Beatty, 2001:21). Players contribute to the profitability of organisations, deliver results and do things that can make a difference (Ulrich and Beatty, 2001:21).

Sunil and Ramlall (2006) state that the role of a business player is manifold:

- Coaching.
- Designing.
- Constructing.
- Changing the organisation.
- Creating followers.
- Playing by the rules.

This means that human resources departments need to understand the core of the business from strategic, operational, financial and other angles to be part of an effective team managing an organisation (Sunil and Ramlall, 2006:34). Human resources departments must function as innovators and not merely function in a reactionary mode; strategies that will create value for the organisation must be pursued continuously (Sunil and Ramlall, 2006:34).

Another perspective on the role of human resources departments suggests that in leading edge companies they play four key roles, namely strategic business partners; innovators; collaborators; and facilitators (Schuler & Jackson, 2000). In serving as collaborators, they need to work with senior leaders, line management and all employees to implement business strategies that form a strategic link throughout the organisation.

Lastly, as facilitators, human resources departments function as change agents, providing support and readiness for planned changes designed to support business strategies (Sunil and Ramlall, 2006).

The fundamental role that HR must play is to help create value for the organisation by maximising profitability, quality of work life and profits through the effective management of people (Cascio, 2003; Sunil & Ramlall, 2006).

The above information illustrates that HR has a vital role to play in performance management, not merely in terms of putting a performance management system in place, but also in ensuring that performance management becomes a tool for achieving organisational strategic goals.

This is achieved through executing key responsibilities in terms of performance management, which include the following:

- Planning the system.
- Developing and designing the system.
- Implementing the system.
- Maintaining the system (Minty and Bennet, 2001:20).

5.7.1 Planning the system

An effective performance management system should empower line management and enable it to implement the strategic objectives of the organisation successfully.

Minty and Bennet (2001:20) further highlight the following steps in planning a performance management system:

- Assessing the need for change.
- Gaining top management's commitment to the new approach. Without the commitment of top management, it will be impossible for performance management to succeed.
- Setting up a project team. When the concept of performance management comes into play, it is important that there is a team to drive and guide the process.
- Reviewing the past. It is important to review how things were done in the past. Previous employees and organisational performances can give some direction on how the process has changed.
- Clarifying the objectives of performance management.
- For the future implementation of the process, building new assumptions.

The above information suggests that human resources should gain top management support for a new system and make use of a cross-functional task team to develop and implement the system (Minty & Bennet, 2001:20).

5.7.2 Develop and design the system

Hollenbeck *et al.* (2003) argue that performance management systems must make clear to employees what is expected of them and also assure line managers and strategic planners that employee behaviour will be in line with the organisation's goals. The role of HR is to ensure that the performance management system is developed and designed to provide line managers with guidelines on what needs to be done in the performance management process.

Minty and Bennet (2001:20) highlight the following steps when developing/designing the system:

- Commencing the design.
- Planning communication and education processes.
- Collecting feedback from stakeholders.
- Refining the design.
- Checking with top management.
- Completing the design and planning the implementation.

Designing the performance management system requires that all the stakeholders become involved in the process so that everyone will be *au fait* with all the requirements of the system. It also suggests that all the stakeholders, including supervisors, employees and top management, should understand the process. Education is, therefore, an important aspect of the process (Minty & Bennet, 2001:20).

5.7.3 Implementing the system

According to Swanepoel *et al.* (2000:418), procedures related to the implementation phase focus mainly on various training sessions and introductory exercises.

The contents of such training may be determined by the level of involvement of users during the development phase, the complexity of the specific system, and the level of competence in performance management of the supervisors (Swanepoel *et al.*, 2000:418).

Minty and Bennet (2001:20) concur, highlighting the following steps when implementing the system:

- Deciding if a pilot intervention is necessary.
- Presenting the final design to top management.
- Designing training material and training staff in using the new system.

When implementing the system, it is vital to ensure that the line managers are well trained so as to ensure its effective implementation (Minty & Bennet, 2001:20).

5.7.4 Maintaining the system

Swanepoel *et al.* (2000:418) state that maintaining the system entails activities such as the following:

- Auditing and evaluating the effectiveness of the programme on an annual basis.
- Monitoring the internal and external environments for changing circumstances that may necessitate a review or adjustment of current practices (Swanepoel *et al.*, 2000:418).

Minty and Bennet (2001:20) highlight the following steps in maintaining the system:

- Monitoring and improving results, if necessary.
- Realigning other human resource systems, such as recognition and reward systems, training and development, recruitment and selection, and orientation. From time to time, human resources departments will assess the effectiveness of the system and make improvements, where necessary (Minty & Bennet, 2001:20).

5.7.5 Assisting and consulting with line managers

The role of human resources departments is to consult with line managers when there is a need. Human resources departments need to continuously guide line managers in following and doing what is expected of them in the entire performance management process, according to Minty and Bennet (2001:35).

5.8 TRAINING LINE MANAGERS IN PERFORMANCE MANAGEMENT

According to Swanson (1995), employee training is defined as the process of systematically developing expertise in individuals for the purpose of improving

performance. Line managers who need help in performance management should contact their human resources department for guidance. The human resources department should from time to time assess the effectiveness of the training delivered to employees (Swanson, 1995).

In summary, the above information suggests that the role of human resources departments in performance management is to:

- develop and implement a performance management system;
- ensure top management's commitment to performance management;
- ensure the participation of various stakeholders (senior management, line management, employees) in the development and implementation of performance management; *inter alia* by using a cross-functional team in the design and implementation process;
- ensure that the performance management process is aimed at attaining business goals (by acting as a business partner);
- ensure that the performance management process is understood by line managers;
- provide performance management system training for line managers;
- ensure that the performance management process is used as a tool to enhance the relationship between line managers and human resources practitioners;
- monitor the implementation of performance management in the organisation to ensure compliance with legal and organisational policies;
- ascertain that line managers understand what the performance management system stands for; and
- open an opportunity for line managers to see the human resources department as providing a support function within the business (Swanson, 1995).

5.8.1 Performance Management Cycle

In considering the cycle of performance management, it is useful to compare ideas from different authors and contrast their views.

According to Fox (2006:91), “performance depends on the motivation and ability of individuals, that is, they have to be willing to do the job, know how to do it, be able to do it, and have to receive feedback on how they are performing”.

The performance management cycle begins as follows, according to Schultz *et al.* (2003:77): “the starting point of performance management is setting goals and measures”. The authors then list the various steps constituting the performance management cycle.

Performance management, according to Schultz *et al.* (2003:77-80), can be seen as a cycle that consists of the steps introduced below:

5.8.2 Clarifying expectations

Clarifying expectations is the crucial first step in performance management. It ensures that employees know what is expected of them. The initial meeting between manager and subordinate in the performance management cycle should include a discussion about the performance objectives and measures to be set. It should not take the form of a briefing in which the manager simply informs the subordinate what his or her objectives should be and tries to convince the subordinate of the importance of achieving these objectives. The employee must have a crystal-clear understanding, not only of what the objective means, but also of what is necessary to achieve the measures associated with the objective (Schultz *et al.*, 2003:77-80; Fox, 2006:91).

5.8.3 Planning to facilitate performance

In many instances, the manager’s intervention may be necessary, because the subordinate may not have the authority or resources to make things happen. The manager might ask the subordinate what he or she could do to help the subordinate achieve his or her objectives.

5.8.4 Monitoring performance

Frequency of monitoring is a factor depending on the nature of the job and the seniority of the person being monitored. There are many methods of monitoring the performances of subordinates. One such method is referred to as MBWA, or ‘managing by wandering around’. If this is not possible, then the monitoring of

performance may be achieved through regular meetings, telephone calls, written reports, etc.

5.8.5 Providing feedback

It is critically important to provide feedback to subordinates on their performance. Such feedback allows managers to provide follow-up on the consequences of performance and to direct the efforts of their subordinates, if necessary.

5.8.6 Coaching, counseling and supporting

If performance monitoring reveals a serious performance deficit, then the manager may have to coach the subordinate. This will consist of discussing the desired performance and, if necessary, modelling the performance for the subordinate, then asking him or her to perform, giving critical feedback, until the performance reaches the required level.

5.8.7 Recognising good performance

Managers who seek to influence the performance of their subordinates need to ensure that good performance has positive consequences. Behaviour that is positively reinforced is likely to recur, while behaviour that is punished, or for which there are no consequences, is less likely to recur.

5.8.8 Dealing with unsatisfactory performance

If a subordinate fails to perform as expected, and if this unsatisfactory performance persists, then it may be necessary to start disciplinary procedures. In terms of the Labour Relations Act (1998), employees who fail to perform to standard must be offered every assistance, including, if necessary, reassignment to a different position to help them remain employed.

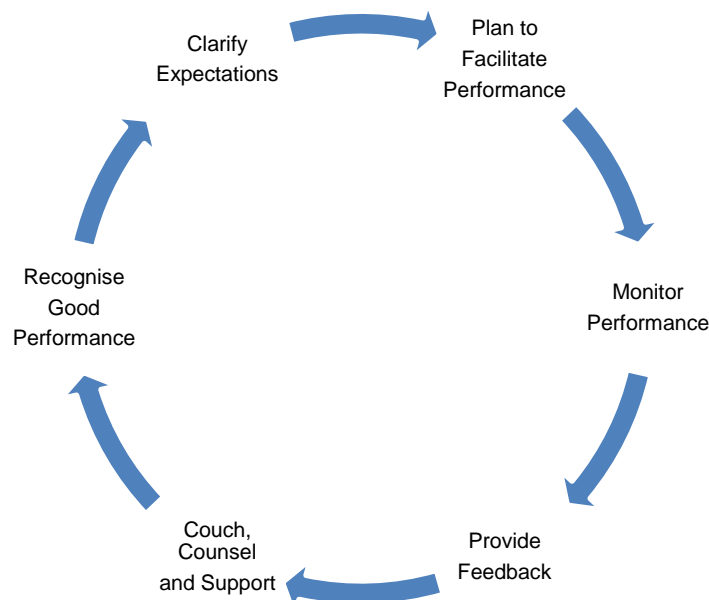
The following steps should be followed In terms of dealing with poor performance:

- Ensuring that the employee knows and understands that his or her performance is poor.
- Checking the employee's previous performance record.

- Revisiting the performance objectives and ensuring that the subordinate knows what is required of him or her and what he or she needs to do to perform adequately.
- Agreeing on a performance improvement plan.
- Agreeing on a process for follow up and review of the improvement plan and on the consequences of non-performance.
- Recording the agreement in writing.
- Monitoring future performance in terms of the agreement (Viedge, Schultz, Potgieter and Werner, 2003:79).

According to Tshukudu (2006:53), one crucial aspect of managing performance is managing poor performance. Poor performance is an obstacle in the attainment of strategic organisational goals. Poor performance can be tolerated to a certain extent, but where it persists, measures have to be taken for the sake of customers, colleagues and the individuals concerned. Avoiding the management of poor performance will not improve the current performance problem but will compound poor performance, as displayed in Figure 5.2 (Marais, 2002:24).

Figure 5.2: Performance Management Cycle



Source: Viedge, Schultz, Potgieter & Werner (2003:79)

Similarly, London (1997:45-46) holds the view that the subordinate should be involved in every stage of the process so that his or her commitment and motivation to improve may be established and reinforced. London sees the process as engendering a climate of support for development and continuous learning in the organisation. The author views the process as a five-step cycle, which is repeated as new responsibilities are added:

- *Clarifying the employee's major responsibilities* – The supervisor and the subordinate should have a clear idea, and the same idea, of what is needed.
- *Developing performance standards* – Expectations are refined further in the process of developing performance standards through goal setting.
- *Giving periodic performance feedback.*
- *Diagnosing and coaching employee performance* – When performance improvement is needed, the manager and subordinate need (a) a clear understanding of the discrepancy between current and expected performance; (b) a discussion leading to a common understanding of the causes of the performance discrepancy; and (c) the development of action plans to enhance the employee's performance.

A review of overall performance follows automatically on the completion of the first four steps (London, 1997:45-46).

In conclusion, whether an author refers to performance management as a cycle or a process, the basic elements stay the same. These include performance planning, employee support, setting of goals and standards, review and feedback, and rewarding of outstanding performances. Schultz *et al.* (2003:77-81) regard a performance cycle as ongoing, as opposed to a process that has a beginning and an end. However, these authors who refer to performance management as a process do emphasise that it should be repeated and continuously evaluated (Schultz *et al.*, 2003:77-81).

5.9 ROLE OF LINE MANAGERS IN PERFORMANCE MANAGEMENT SYSTEM

Mathis and Jackson (2000:28) and Banfield and Kay (2008:64) view the performance management process from the perspective of the immediate supervisor. These authors indicate that determining employees' performance standards is the start of the performance management process (Mathis & Jackson, 2000:28, Banfield & Kay, 2008:64).

Depending on the approach taken, performance standards define the expected levels of performance, and serve as benchmarks or goals or targets (Mathis & Jackson, 2000:382). These authors further state that the line manager's responsibility is to conduct performance appraisals with the employee. The authors then qualify this statement by emphasising that this is based on the assumption that the immediate supervisor is the most qualified person to evaluate an employee's performance realistically, objectively and fairly (Mathis & Jackson, 2000:382).

It is important that a line manager provides feedback on performance to assist the employee within a developmental area, as well as in those areas in which the employee performs well; this provides some assurance that he or she is contributing to the success of the organisation. The line manager is required to contribute to the strategic objectives of the organisation, as well as to the employee's personal objectives; therefore, performance standards need to be clear and unambiguous, for the attainment of good results (Banfield & Kay, 2008:285).

Banfield and Kay (2008:271) further clarify the role that line managers play in the performance management process. They emphasise that such managers must have the necessary skills to conduct the performance management process and that they must also measure and monitor employee performance (Banfield & Kay, 2008:271).

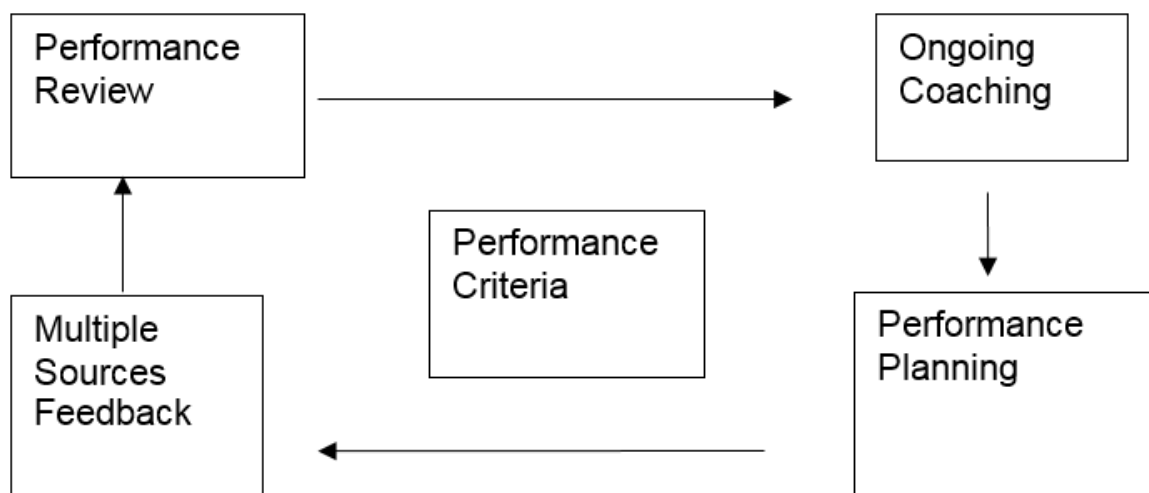
Viedge *et al.* (2003:07) indicate that successful performance management relies strongly on the relationship between the line manager and the employee. The supervisor and the employee should hold the same perception about what is required and what performance measures should be used. This view is based on the fact that ongoing trust and open communication between the supervisor and the employee is

crucial for determining individual goals, discussing performance obstacles, facilitating performance and coaching the employee (Viedge *et al.*, 2003:07).

It is the view of Viedge *et al.* (2003:8) that the performance management process is a continuous cycle rather than a process. This is based on the notion that performance management is a never-ending process; a continuous process of setting goals, working towards such goals, evaluating progress and revisiting the goals (Viedge *et al.*, 2003:8).

The abovementioned models will be discussed and graphically presented in the section and Figure 5.3.

Figure 5.3: Ohio State University performance management model



Source: Handbook for the Core Performance Management Process. Ohio: The Ohio State University (2004:12)

The **multiple sources of feedback process** provide employees with performance information to supplement supervisory feedback; it may also include feedback sources emanating from the self, peers, constituents or direct reports.

Performance planning at the beginning of the performance cycle is the stage during which dialogue between the supervisor and the employee establishes clear, specific performance expectations. Coaching involves two-way discussions that focus on recognising employee excellence and areas for improvement and learning, as well as identifying barriers to performance.

Finally, the **performance review** comprises summative two-way discussion and written documentation focusing on employee performance, i.e. on areas of excellence, goals for improvement and development needs (Handbook for the Core Performance Management Process, 2004:12). This model further explains the steps to be followed by the line manager in the performance management process.

In relation to Figure 5.3 the Performance Management Cycle starts with clarifying expectations; this involves an explanation and discussion of the expected behaviour and performance of the employee. The second step is to facilitate this performance.

The line manager asks the employee what he/she can do to help the employee perform according to expectations and also makes resources, such as tools, capacity information and materials, available to the employee. Thorough planning by the line manager will ensure that the entire performance management process runs smoother and becomes easier.

The next step is to monitor performance. The manager manages performance by, *inter alia*, walking around (MBWA) in order to provide employees with opportunities to share how they are doing, what problems they are experiencing, and how they feel that they are progressing.

The line manager understands the required performance outcomes and should be able to identify if the employee is not performing according to the set standards. Monitoring performance helps employees see shortcomings and deal with them as soon as they arise. Moreover, during evaluation time, major shortcomings will not suddenly be identified, as the line manager would have constantly monitored performance.

When receiving feedback, the employee is provided with an opportunity to challenge aspects with which he or she is not in agreement. Being provided with feedback helps the employee to realise his or her own shortfalls and to use the opportunity to improve. The line managers are also required to coach, counsel and support employees, should there be a need for that.

It is therefore critical for line managers to develop and demonstrate caring skills to assist employees in understanding that the process is not personal, but is aimed at ensuring better performance. The recognition of performance encourages employee motivation. The employee can now improve his or her current performance and thereby ensure that, in future, recognition will be given. A comparison of the two models reveals similar steps and that the line manager carries considerable responsibility and has an important and direct role to play in the performance management process.

In summary, the theoretical perspectives make it clear that a supervisor is responsible for the following:

- Obtaining clarity on the mission, vision and strategic goals of the organisation.
- Clarifying the area of responsibility of the employee and the goals (KPA's) the employee has to attain through discussion.
- Clarifying measures of performance.
- Facilitating performance by providing the necessary resources, such as equipment, information and support.
- Ensuring that the performance of the employee is constantly monitored.
- Providing the employee with performance feedback.
- Ensuring continuous improvement and personal development by coaching and mentoring the employee.
- Recognising good performance.
- Being able to deal with poor performance (**Handbook for the Core Performance Management Process, 2004:12**).

5.10 PERFORMANCE APPRAISALS (360 DEGREES)

According to Byars and Rue (2000:275), performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and, ideally, establishing a plan of improvement. The task perception of the employee should be clarified through the establishment of a plan for improvement.

Byars and Rue (2000:275) state that performance appraisal information could also provide the input needed to determine both individual and organisational training and

developmental needs. This information could be used to identify an individual employee's strengths and weakness; it could then also be used to help determine the organisation's overall training and developmental needs (Byars and Rue, 2000:275).

Essentially, the performance assessment of individual employees involves a wide spectrum of people, including internal and external customers, suppliers, peers, team members, superiors and subordinates (Erasmus, Schenk, Swanepoel and Van Wyk, 2003:391). The necessary information can be gathered through utilising formal and structured interviews, informal discussions, surveys and observations.

According to Beardwell and Claydon (2007:514), this approach has grown in popularity and, when undertaken correctly, can be effective, reasonably inexpensive, widely applicable and clearly focused on individual performance.

The idea behind it is that employees benefit from feedback gathered from a wide range of sources. Moreover, it provides a more complete and comprehensive picture of the individual's performance and contribution. Characteristically, this includes peers, superiors, subordinates and clients. In essence, it is designed to obtain comments from all directions, above, below and to the side of the employee concerned (Beardwell and Claydon, 2007:514).

According to Erasmus *et al.* (2003:391), this approach is in line with current trends in leadership thinking. The appraisal information is used in feedback to the employee and could serve as important input for career development and training. The broad spectrum ensures a good evaluation of a worker's strengths and weaknesses and enhances self-insight – a necessary step if he or she is to develop to his or her full potential (Erasmus *et al.*, 2003:391).

Schultz (2004:479) concurs, stating that over the past decade, the 360 degrees feedback, or the 'multirate' system of carrying out performance evaluation has revolutionised performance management (Schultz, 2004:479).

Byars and Rue (2000:275-277) highlight the following performance appraisal methods:

- Goal setting or management by objective (MBO)
- Multirate assessment (or 360 degrees feedback)

- Work standard approach
- Essay appraisal
- Critical incident appraisal
- Graphic rating scale
- Checklist
- Behaviourally anchored rating scale (BARS)
- Forced choice rating
- Ranking methods (Byars and Rue, 2000:275-277).

5.11 MANAGING EMPLOYEE MOTIVATION

According to Boxall and Purcell (2008:183), ability is not the only factor explaining performance. In order for performance to occur, workers must also choose to apply their capabilities with some level of effort and consistency. This means that organisations must offer workers sufficient incentives to attend work and do an adequate job.

Boxall and Purcell (2008:183) state that employees are motivated to enter into an employment relationship when the benefits of doing so (such as wages, intrinsic enjoyment and social standing) outweigh the costs (such as increased stress, fatigue and travelling costs); as well as when alternatives to that employment (such as alternative job offers or staying at home) are outweighed by the job benefits on offer.

5.12 PERFORMANCE MANAGEMENT BENEFITS

Focusing on achieving results is the key role of performance management. A well-implemented performance management process is beneficial to the company, its managers and its employees. Performance management reminds one that being busy is not the same as producing tangible results. It also reminds one that training, strong commitment and lots of hard work alone cannot guarantee results. The advantages of performance management, according to O'Callaghan (2004:67), include the following:

- Integration.
- Open communication.
- Enhanced performance.

- Training and development.
- Standards/Requirements clarity.
- Individual placements.
- Fair compensation.
- Objective promotability.
- Structured career planning.

The literature reviewed suggests that the purpose of performance management is to support business goals. Human resources departments are responsible for developing and implementing systems that support business goals, providing information, education, guidance and expertise to line managers, and ensuring quality assurance in performance management.

Performance management is, in some ways, a simple yet very complex process. It consists of different elements and requires some skills. It can be effective and produce great benefits if approached with a proper mindset (O'Callaghan, 2004:67).

5.13 SUMMARY

The effective management of individual performance is a key requirement for the attainment of organisational goals. If line managers are to achieve strategic objectives, accurate information regarding the performance levels of their members is essential.

Performance management systems are tied into the objectives of organisations, the resulting performance is more likely to meet organisational needs. Performance management is a process for strategy implementation and a vehicle for culture change; and that it provides input to other human resources systems. It involves communicating a vision of objectives to employees, setting departmental and individual performance targets, as well as conducting a formal review of performance.

The literature reviewed, suggests that the purpose of performance management is to support business goals. Human resources departments are responsible for developing and implementing a system that supports business goals, for providing information, education, guidance and expertise to line managers, and ensuring quality assurance in performance management.

Performance management is, in some ways, simple yet very complex. It consists of different parts and requires some skills. It can work and produce great benefits, approached with a proper mindset. Chapter Six presents the positive labour relations processes that can be introduced for the purpose of staff retention.

CHAPTER SIX

POSITIVE LABOUR RELATIONS

6.1 INTRODUCTION

The Constitution of South Africa, Act 106 of 1996, is a piece of legislation that sets out the structure of the state and its functions. For the purpose of labour law, the Bill of Rights is of primary importance and underpins the protection of employee rights by their employers. In terms of the Constitution, every worker has the right to join a trade union of his choice and to participate in the activities and programmes of such trade union. Every trade union has the right to engage in collective bargaining. No person may discriminate against an employee for exercising any right conferred by the Constitution. Every trade union that is properly registered in the Bargaining Council and that has sufficient representation in the workplace has access to the workplace.

In this chapter, a theoretical overview of positive labour relations is presented to create an understanding of the importance of a positive working environment conducive to performance and productivity in an organisation. It provides a literature overview and a theoretical framework on labour relation matters, focusing on worker representation through trade unions, conflict resolution in organisations, trade union negotiations, negotiation processes, collective bargaining, and the definition of grievance, disciplinary and counseling processes. It concludes with a summary of the issues discussed above

6.2 DEFINITION OF TRADE UNION

Venter, Levy, Conradie and Holtzhausen (2009:77) define a trade union as any organisation whose membership consists of employees and that seeks to organise and represent their interests both in the workplace and in society, and, in particular, to regulate their employmentship through the direct process of collective bargaining with management (Venter *et al.*, 2009:77).

Tustin and Geldenhuys (2000:71) further state that trade unions, like employer organisations, form an inherent part of the labour relations system and processes by virtue of their representation of workers and management within organisations. Trade

unions are considered to be separate organisational entities in their own right that function outside organisations, as part of the environment. Unions are outside parties representing workers within organisations, in an attempt to exert control over the employer-employee relationship, for the primary benefit of the employees (Tustin & Geldenhuys, 2000:71).

6.3 WORKER REPRESENTATION THROUGH TRADE UNIONS

According to Nel and Van Rooyen (1989:45), a trade union is a continuing permanent organisation created by the workers to protect themselves at work, to improve the conditions of their work through collective bargaining to seek to better the conditions of their lives, and to provide a means of expression for workers' views on matters of society (Nel & Van Rooyen, 1989:45).

Worker representation organisations have the following functions:

- Unionising workers.
- Conducting negotiations.
- Providing administration.
- Interpreting collective agreements covering wages, hours of work and conditions of employment.
- Engaging in concerted economic action.
- Conducting dispute settling procedures.

6.4 RESPONDING TO CONFLICT IN ORGANISATIONS

According to Hughes and Wearing (2007:104), one form of communication that inevitably involves emotional investment is the interpersonal one. Routinely, social workers are required to respond to conflict situations within organisations. A useful starting point is the recognition that conflict is a normal part of everyday life. Sometimes conflict provides an opportunity to strengthen relationships, and it could even stimulate personal growth.

Traditionally, employees were mainly represented by trade unions; however, many unions are now seen as being in decline. At its peak in the 1970's, union membership stood at 13 million in South Africa; now, only about 7.5 million employees belong to a

union. A probable reason for this decline is that where, in the past, unions provided employees with a representative voice, now employees may communicate directly with management and each other through team meetings and problem-solving groups (Hughes & Wearing, 2007:104).

6.4.1 Further reasons for the decline and fall of unions

- Alterations to the composition of the workforce and jobs.
- The changed structure of the workforce.
- The removal of the closed shop: promotion of share ownership, the privatisation of public utilities and the decentralisation of public sector workers.
- The strategic approach and structures of the unions themselves meant the loss of a national voice. Moreover, many saw unions as only representing the interests of the male sector of employees; female priorities were not seen to be addressed (Bloisi, 2007:289).

6.5 TRADE UNION NEGOTIATIONS SYSTEM

According to Armstrong (2008:232-333), the following are the most generally accepted types of bargaining conventions used in union negotiations:

- Each side should be prepared to move from its original position.
- Concessions, once made, cannot be withdrawn.
- A third party should not be brought in until both parties have agreed that no further progress would be made without its participation.

The final agreement should mean exactly what it says. There should be no trickery, and the terms agreed should be implemented without amendments. If possible, the final settlement should be framed in a matter so as to ensure that both sides can save face and credibility (Armstrong, 2008:232-333).

6.6 NEGOTIATION PROCESS

Hollenbeck *et al.* (2003:592-594) suggest that labour management negotiations could be broken into the following sub-processes: distributive bargaining, integrative bargaining, attitudinal structuring, and infra-organisational bargaining.

- 6.6.1 *Distributive bargaining:*** This type of bargaining focuses on dividing a fixed economic 'pie' between the two sides. A wage increase, for example, means that the union gets a larger share of the pie, and management a smaller share. This is a win-lose situation.
- 6.6.2 *Integrative bargaining:*** This type of bargaining has a win-win focus: it seeks solutions beneficial to both sides. For example, if management needs to reduce labour costs, it can reach an agreement with the union to avoid layoffs, in return for the union agreeing to changes in worker rules that may enhance productivity.
- 6.6.3 *Attitudinal structuring:*** This type of bargaining refers to the relationship and trust between labour and management negotiators. Where the relationship is poor, it may be difficult for the two sides to engage in integrative bargaining, because there is little trust that the other side will carry out its part of the deal. For example, a union may be reluctant to agree to productivity enhancing work-rule changes to enhance job security if, in the past, it has made similar concessions, but believes that management did not stick to its assurance of greater job security. Therefore, the long-term relationship between the two parties can have a very important impact on negotiations and their outcomes.
- 6.6.4 *Infra-organisational bargaining:*** In terms of this type of bargaining, we are reminded that labour management negotiations involve more than just two parties. Within management and, to an even greater extent, within the union, different factions can have conflicting objectives. More senior workers, who are the least likely to be laid off, may be more willing to accept a contract that has layoffs (especially if there is also a significant pay increase for those whose jobs are not at risk). Less senior workers would probably feel very differently. Negotiators and union leaders must therefore simultaneously satisfy both the management side and their own internal constituencies. If they do not, they risk the union membership's rejection of the contract, or they risk being voted out of office in the next election. Management, too, is unlikely to be of one mind about how to approach negotiations. Some will focus more on long-term employee relations, while

others will focus on cost control, and others still on what effect the contract will have on stock holders (Hollenbeck *et al.*, 2003:592-594).

Keltner (1994:68) states that the concept of negotiation has been defined in numerous ways, ranging from a highly inclusive definition that encompasses almost any type of human interaction, such as 'whenever we talk with another we are negotiating' to very specific situations involving specific interactions for specific purposes. For example, when we seek to buy a car and do not want to pay the seller's price, we negotiate.

Keltner (1994:68) further argues that negotiation is an endeavour aimed at fulfilling needs. It involves behaviour governed by an exchange between people. Ideally, it is a peaceful procedure that reconciles and compromises between differences and depends on good faith and flexibility.

Keltner (1994:68) sees negotiation as an intention to change a relationship in order to get what one desires from others. Persuasion occurs through mutual communication, joint decision making, coordinating interests, and by influencing the decisions of others.

Hughes and Wearing (2007:106) state that negotiation is a non-assisted form of conflict resolution; that is, it does not involve third-party interventions. However, there is a whole range of situations in which social workers may be likely to become involved in negotiations. These include case advocacy; workers negotiate with managers or other organisations to further the interests of particular service users.

According to Hughes and Wearing (2007:106), a particular approach to negotiation that is widely used within the legal and business sectors is principled negotiation. This approach applies to social workers and is based on the following four principles:

- *Separate the person from the problem:* This requires the negotiator to hold back from blaming the person and to create a positive working relationship.
- *Focus on interests, not positions:* This requires the negotiator to step back from an entrenched position and look to see if both parties have some interests that coincide.

- *Invert options for mutual gain:* The negotiator should try to brainstorm different solutions with the other party's interests in mind and introduce these ideas into discussion if no other mutually agreed upon solution emerges.
- *Use objective criteria:* This requires the negotiator to introduce credible knowledge and procedural fairness into the negotiation process so that decisions are based not so much on a battle of wills, as on an evaluation of what may be best in the given circumstances. The use of objective criteria is particularly appropriate if the negotiator perceives him- or herself to be in a less powerful position (Hughes & Wearing, 2007:106).

Keltner (1994:191) argues that negotiation comes into play when two or more people with differing opinions and goals interact and seek the resolution of their differences. A relatively friendly exchange of ideas serves to build a relationship, promoting agreements and joint decision making. When the goals of two or more persons seem to be in opposition, they can agree to try to resolve the dispute through communicating with each other (Keltner, 1994:191).

Keltner (1994:191) further mentions that this is a process of managing struggle in a peaceful way. Concessions are made in order to maintain and cultivate the relationship between the contesting people. Trust levels need to be reasonably high. Changes in position can occur easily, and the goals of the persons involved can be shared more easily.

6.7 COLLECTIVE BARGAINING

Grossett and Venter (1998:349) describe collective bargaining as a voluntary process for reconciling the conflicting interests and aspirations of management and labour through the joint regulation of conditions of employment. They further describe the objective of collective bargaining as reaching an agreement. This agreement is often reached through a process of mutual accommodation, where parties assume a willingness not only to listen to the representations of the other, but also to abandon their fixed positions in order to find common ground.

Matthews and Venter (1998:349) also state that collective bargaining can be seen as a process that recognises the fact that in a modern industrial society, both employees

and employers constitute distinct and opposing interest groups and therefore require flexibility to protect and promote their interests. Collective bargaining is therefore an integral part of industrial relations.

6.8 DEFINITION OF GRIEVANCE

A grievance is any sense of dissatisfaction or feeling of injustice in connection with an employee's work or employment conditions that has been brought to the attention of management (Matthews and Venter, 1998:349). Dissatisfaction with any term or condition of employment regulated by legislation, or the outcome of disciplinary action, is specifically excluded (Matthews and Venter, 1998:349).

6.8.1 Grievance Procedures

Complaint or grievance resolution procedures encourage employees to voice their concerns to the organisation instead of the courts so as to seek constructive resolutions without litigation (Schuler and Jackson, 2000:98).

Schuler and Jackson (2000:98) further state that to address these concerns, human resources departments should set up peer review systems designed to give employees a chance to air their complaints and have their peers take part in evaluating whether their complaints are legitimate. For example, Coors's peer review system works as follows:

6.8.1.1 Step One:

An employee who is not satisfied with the application of an organisation's policy, but happy with the policy itself, may file an appeal with his or her employee relations representative within seven working days (Schuler & Jackson, 2000:98). The employee relations representative then sets up an appeal board by randomly selecting two members of management and three employees from the same job category as the appellant.

6.8.1.2 Step Two:

A hearing is held, orchestrated by the employee relations representative. At the hearing, the supervisor describes the circumstances and the employee explains why he or she deems the supervisor's action to be unfair. Board members may ask

questions of both parties during the proceedings and request testimony from any witnesses.

6.8.1.3 Step Three:

When the board members have all the information they need, they withdraw to discuss the case privately. They decide by majority vote whether to uphold the action, reduce the severity, or overturn the action completely. The board's decision is final (Schuler & Jackson, 2000:99).

6.8.2 Mediation

Hughes and Wearing (2007:107) state that mediation is an assisted approach to conflict resolution, in that it involves a third person, albeit without the power to make a decision in favour of either of the two disputant parties. Mediation aims to assist people in finding solutions to their difficulties.

It is the view of Hughes and Wearing (2007:107) that the main activities involve getting people to articulate their concerns, suggest solutions, discuss compromises and try to reach an agreement. The benefits of mediation could include a favourable agreement, satisfaction, improved relationships, procedural justice, and improved problem solving.

6.8.3 Arbitration

According to Hughes and Wearing (2007:107), arbitration is another form of assisted conflict resolution and involves a third party who has the authority to make a decision in favour of either of the two disputant parties. Unlike negotiation and mediation, arbitration is rarely discussed as an intra-organisational strategy.

A major benefit of arbitration, compared to negotiation and mediation, is that it usually produces a settlement (Hughes & Wearing, 2007:108).

Hughes and Wearing (2007:108) also highlight the ways in which arbitration can be used in conjunction with mediation. For example, if mediation is unsuccessful, then arbitration may be presented as the next step in the conflict resolution process.

6.8.4 Arbitration and Qualifications

Keltner (1994:154) states that arbitrators must be persons who are impartial and who have high integrity, as well as specialist knowledge of and expertise in the context in which the dispute exists, together with experience in arbitrating disputes (Keltner, 1994:154).

6.9 DISCIPLINARY AND COUNSELING PROCESSES

According to Matthews and Venter (1998:253), the function of discipline in the employment realm is to ensure that employees contribute effectively and efficiently to the goals of the enterprise. It is the employer's common law right to ensure that its employees adhere to reasonable standards of efficiency and conduct.

Matthews and Venter (1998:253) further state that the purpose of discipline under modern labour law is regarded as corrective rather than punitive. Only where the courts are convinced that the actions of an employee are such that they have rendered the continuation of the employment relationship impossible or undesirable, or the organisation is in a position where it cannot reasonably be expected to continue employing an employee, will termination of employment be accepted.

Matthews and Venter (1998:253) also make it clear that termination is viewed by the courts as the most serious sanction that can be meted out to an employee and must accordingly be used as a last resort only. They add that should the actions of an employee or group of employees be such that termination is not appropriate, then management has a number of forms of discipline that may be meted out to the transgressing parties. These sanctions differ in severity, with the requirement that the sanction matches the severity of the misconduct. The following are the more common forms of discipline:

- Warnings
- Suspension – with or without pay
- Transfers
- Demotions
- Dismissal
- Grievance procedures

According to Matthews and Venter, a grievance is a complaint that is related to the employee's treatment or position within the daily working routine and which, because it may result in a dispute, warrants the attention of management (Matthews and Venter, 1998:253-292).

Matthews and Venter (1998:293) affirm that grievance procedures are important, for the following reasons:

- They facilitate two-way communication between employee and employers, i.e. they provide a feedback mechanism.
- They deal with matters that do not constitute material for collective bargaining.
- They ensure management's involvement in the day-to-day running of the organisation and, more importantly, they emphasise management's commitment to employees' welfare.
- They prevent potential disputes from arising.

Byars and Rue (2000:438) define organisational discipline as action taken against an employee who has violated an organisational rule or whose performance has deteriorated to the point where corrective action is needed.

6.9.1 Causes of Disciplinary Actions

Byars and Rue (2000:439) further state that disciplinary action is taken against employees, based on two types of misconduct:

- Poor job performance or conduct that negatively affects an employee's job performance. Absenteeism, insubordination and negligence are examples of behaviour that could lead to disciplinary action.
- Actions that indicate poor citizenship, which include fighting on the job or theft of company property (Byars and Rue, 2000:439).

6.10 SUMMARY

It is inevitable that, from time to time, conflict and disagreement will arise as the differing needs, wants, aims and beliefs of people are brought together. Without negotiation, such conflicts may lead to argument and resentment, resulting in one or

all of the parties feeling dissatisfied and disaffected. The point of negotiation is to try to reach an agreement without causing future barriers to communication.

Negotiation is a method through which people or parties settle their differences. It is a process through which compromise or agreement is reached, while avoiding argument. In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps the position of the organisation they represent). The principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome. Chapter seven will present an overview of data presentation, analysis and strategies for retaining of staff in selected government departments. .

CHAPTER SEVEN

RESEARCH METHODOLOGY

7.1 INTRODUCTION

In Chapter One of the study, the following main research problem was presented:

How can the Eastern Cape Office of the Premier, the Department of Health, the Department of Local Government and Traditional Affairs, the Department of Roads & Public Works and the Department of Education retain talented employees and intellectual capital?

In order to solve the main problem of the study, the following sub-problems were also formulated:

1. What does the literature reveal regarding the retention of employees and knowledge management?
2. What are the perceptions of staff and management regarding factors that make employees leave or stay in departments?
3. What is the impact of service recognition in the workplace?
4. What are the consequences of poor working conditions in service delivery in these departments?
5. What strategies can these departments implement to reduce the rate of staff turnover and retain intellectual capital?

In Chapters Three, Four, Five, Six and Seven, literature relating to employee retention strategies and performance management was discussed in depth, addressing and solving sub-problems numbers 1, 2, 3, 4 and 5.

7.2 QUESTIONNAIRE COVERING LETTER

The questionnaire covering letter sent out with the questionnaire served to explain the main purpose and significance of the study to the respondents (Mugenda and Mugenda (1999:8)). The respondents needed to be aware of the purpose of the study for them to appreciate the importance of the study and secure their cooperation. The

researcher promised to share the results of the study when it is completed and assure the respondents of the confidentiality of the topic.

7.3 LITERATURE SURVEY

Various books, journals and internet sites were reviewed, as well as legislation and the prescripts of the government.

7.4 OVERVIEW OF RESEARCH METHODOLOGY

The purpose of using this approach was to evaluate objective data, consisting of numbers, with the aim of achieving high levels of reliability in terms of data analysis. In line with the quantitative and qualitative approaches decided upon, structured questionnaires were administered to all the target respondents, with an option of adding comments at the end of the questionnaire.

The research methodology adopted, involved consulting relevant documents, such as books, journals, government legislation, sub-ordinances, and the legislation of the provincial government, monthly and annual reports, and government regulations, consolidated instructions from the Executive Committee of Provincial Government (EXCO) procedure manuals, and Auditor-General queries and reports.

7.5 EMPIRICAL SURVEY

Data was collected using a structured close and open ended precoded questionnaire. Questionnaires are data collection instruments that enable the researcher to pose questions to subjects in his/her search for answers to the research questions. Saunders, Lewis and Thornhill (2003:75), maintain that it is generally good practice not to rely solely on questionnaire data but to use the questionnaire in conjunction with at least one other data collection instrument such as qualitative method. The questionnaire (Annexure 10) was structured in a 5 point Likert scale format. A highly structured question format allows for the use of closed and open questions that require the respondent to choose from a predetermined set of responses or scale points. Blumberg, Cooper and Schindler (2005:61) state that a Likert scale format on the other hand, involves the use of special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series of mental belief of the statements

about a given subject (strongly agree, agree, neutral, disagree and strongly disagree). The 5 point Likert scale was chosen because it facilitates robust statistical analysis. The questions were formulated with the objective of determining the most relevant points. Questions have been kept simple and the wording has been kept basic to allow respondents to understand them unambiguously.

7.6 METHODS OF DATA COLLECTION

According to Saunders, Lewis and Thornhill (2009:280-281), the most commonly used primary data collection methods are questionnaires and interviews. All research is generally concerned with obtaining answers to questions. Questionnaires and interviews are data collection instruments that enable researchers to pose questions to subjects in their search for answer to research questions. Both questionnaires and interviews have distinct features that have a bearing on the correct and appropriate use of each for, specific data collection purposes. Primary sources using structured close-ended questions serve as a point of departure for the empirical investigation. The primary method of data collection that was used in this research was structured close-ended questionnaires. When a researcher knows exactly what is required and how to measure the variable of interest, a questionnaire is an efficient data collation mechanism (Saunders, Lewis and Thornhill (2009:280-281).

The researcher hand delivered questionnaires to the participants, using this personal method for data collection. According to De Vos *et al.* (2007:154), when using the personal method, a questionnaire is handed to the respondent who will complete it in his own time, but the researcher is available in case problems are experienced. The respondents were asked to return the completed questionnaires in two weeks' time (De Vos *et al.*, 2007:168).

7.6.1 Elements of questionnaire design

The questions in the questionnaire were structured in the same manner as the retention strategies discussed in Chapters Four and Seven. The questions posed under each section sought to reveal whether the retention strategies discussed in Chapters Four and Chapter Seven were prevailing at these departments. A highly structured question format allowed for the use of closed questions that require the respondents to choose from a predetermined set of responses or seal points.

Blumberg, Cooper and Schindler (2005:61) state that a Likert scale format involves the use of a special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series, of mental beliefs regarding statements provided about a given subject (*strongly disagree, disagree, neutral, agree and strongly agree*). The five-point Likert scale was chosen because it facilitates robust statistical analysis.

7.7 APPROACH TO RESEARCH METHODOLOGY

The study adopted the qualitative and quantitative research designs. In order to determine the impact of staff turnover on organisational effectiveness and employee performance, structured close-ended questionnaires were used to collect the data.

7.7.1 Quantitative and Qualitative

The purpose of using both these methods was to evaluate objective data consisting of numbers, with the aim of achieving a high level of reliability in terms of data analysis. In line with the quantitative approach decided upon, a structured questionnaire was also administered to all the target respondents.

7.8 NORMATIVE SURVEY METHOD

Data were collected using structured questionnaires, which were distributed to Senior Managers and HR Practitioners in selected departments. Appointments were made with the respondents to check their availability for the delivery of the questionnaires. Respondents with access to e-mail and fax machines were requested to utilise them as a means of communication to save time. Information from respondents who did not have access to either of the above was collected per arrangement. After the collection of data from the respondents, they were thanked for their time and effort.

7.8.1 Collecting data

Data were collected through structured questionnaires, which were distributed to senior managers and human resource practitioners in selected departments. Appointments were made to check their availability for the delivery of the questionnaires. Respondents with access to e-mail and fax machines were requested to utilise them as a means of communication to save time. The completed questionnaires of respondents who did not have access to either of the above were

collected per arrangement. On the conclusion of the data collection process, the respondents were thanked for their time and effort.

7.8.2 Total research population

This study focused on selected government departments only, namely the Office of the Premier, the Department of Health, the Department of Local Government and Traditional Affairs and the Department of Roads and Public Works, and the Department of Education. De Vos, Strydom, Fouché and Delport (2002:26) define a population as a set of entities in which all the measurements that are of interest to the practitioner or research are presented.

7.8.3 Sample (target population)

According to Saunders *et al.* (2003:76), a target population is the full group of potential participants among whom the researcher wants to conduct research. In this study, the target population comprised all Senior Managers and Human Resources Practitioners of the selected departments of the Province of Eastern Cape.

7.8.4 Response population

In this study, a total of 250 questionnaires were distributed to participants. The response rate for the survey is shown in Table 7.1.

Table 7.1: Response population rate

TOTAL QUESTIONNAIRES	TOTAL RESPONSES	RESPONSE RATE
225	225	100%

The participant, who did not respond well, were the Senior Managers in the aforementioned departments, as they believed that their views would not make a difference.

7.9 ORGANISATION AND PRESENTATION OF DATA

The results and the data information were presented to the Executive and Top Management of the five selected departments.

7.10 SUMMARY

In this chapter, the methodology used to gather the information for the research was discussed. The layout and the planning of the questionnaire were set out. The population was analysed in a preliminary study to identify the respondents targeted for the study. A question analysis was performed to give the reader a better understanding of the empirical study.

The next chapter will focus on the analysis and interpretation of the research findings.

CHAPTER EIGHT

DATA PRESENTATION, ANALYSIS AND STRATEGIES FOR RETAINING OF STAFF IN SELECTED GOVERNMENT DEPARTMENTS

8.1 INTRODUCTION

In Chapter one problem statement and definition of concepts were discussed, In chapter two, certain theories of development were discussed, In Chapter Three, the recruitment processes of public human resources were discussed, In Chapter Four, the retention strategies of human resources were discussed, In Chapter Five, performance management systems were discussed. . In Chapter Six, positive labour relations were discussed. The main aim of this study was to investigate the causes of staff turnover in the selected departments of the Province of the Eastern Cape. The researcher is grateful for the letter of approval given by the Heads of departments in the Eastern Cape Province administration to conduct this research (Annexure C). The personal method of data collection was used in this research. The target population of this study comprised of all HR Practitioners, Assistant Managers, Middle Management, Senior Management and General Managers of all selected department Thus, the target population totalled 225 employees. The questionnaire was structured according to a 5 point Linkert –scale format According to Saunders, et al. (2003:280), the questionnaire is a data collection instrument that enables the researcher to pose questions to the subjects in her/his search for answers to the research questions. The data was analysed using the Statistical Package for Social Sciences (SPSS) version 15 for Windows was used. The results are presented in the form of Tables and charts. The study was qualitative and quantitative in nature and out of 225 questionnaires and a high response rate of 100 per cent was obtained This chapter will present the results of the empirical study carried out at five selected Departments of the Eastern Cape Provincial Administration.

8.1.1 The questionnaire

The questionnaire consists 68 questions that are subdivided into 20 sections (Demographic Information, Empowerment, Cooperation and Team work, Trust, Organizational commitment, turnover and retention, Attraction, Job satisfaction, Recognition and rewards, Growth and development opportunities leading to

promotion, Communication, Workload, Remuneration, Situational factors, Leadership, Turnover and the frequency of Survey)The questions were answered by 225 respondents from the five selected departments of the Provincial Government of the Eastern Cape. The purpose of the data analysis was to identify patterns in these despondences

8.1.2 The questionnaires were structured as follows:

Section A – Demographic Information

Section B – Empowerment

Section C – Cooperation and Teamwork

Section D – Trust

Section E – Organizational Commitment, Turnover & Retention

Section F – Attraction

Section G- Job Satisfaction

Section H – Recognition and Reward

Section I – Growth and Development Opportunities Leading to Promotion

Section J – Communication

Section K – Workload

Section L- Remuneration

Section M – Situational Factors

Section Na – Leadership: Control of Work

Section Nb – Leadership: Goal Target Settings

Section Nc – Leadership: Problem Solving

Section Nd – Leadership: Relations with Subordinates

Section Ne – Leadership: Participative Management

Section F – Turnover

Section G – Survey

The questionnaires were distributed to two different groups. The groups were divided as follows:

- Management of Human Resources
- Practitioners of Human Resources

8.2 SUMMARY OF RESPONSES:

The respondents were requested to complete the questionnaires by 15 July 2015. The Table 8.1 shows the number of questionnaires that were distributed per department and had been collected by the researcher on or before the expiry of the deadline:

Table 8.1: Questionnaires received on or before the deadline

Department	Number of Respondents	Responses collected	Percentage
Education	61	61	100%
Health	51	51	100%
OTP	31	31	100%
DRPW	30	30	100%
Local Government	52	52	100%
TOTAL	225	225	100%

Source: Responses from questionnaires received on or before the deadline.

According to Table **8.1** hundred percent (100%) of the total questionnaires for department of Education, Health, Office of the Premier, Department of Roads and Public Work, Local Government and Traditional Affairs were received on time.

8.3 STRATEGIC ISSUES

The entries in the Tables and charts that follow represent and calculate the number of responses in each given category.

Rank 1	Agree with most
Rank 2	Agree with 2 nd most
Rank 3	Agree with 3 rd most
Rank 4	Agree with 4 th most

8.4 NUMBER OF QUESTIONNAIRES DISTRIBUTED

Table: 8.2: Number of questionnaires distributed

Departments			
		Frequency	Percent
Valid	Public works	30	13,3
	OTP	31	13,8
	Local Gov.	52	23,1
	Health	51	22,7
	Education	61	27,1
	Total	225	100,0

Figure 8.1: NUMBER OF QUESTIONNAIRES DISTRIBUTED

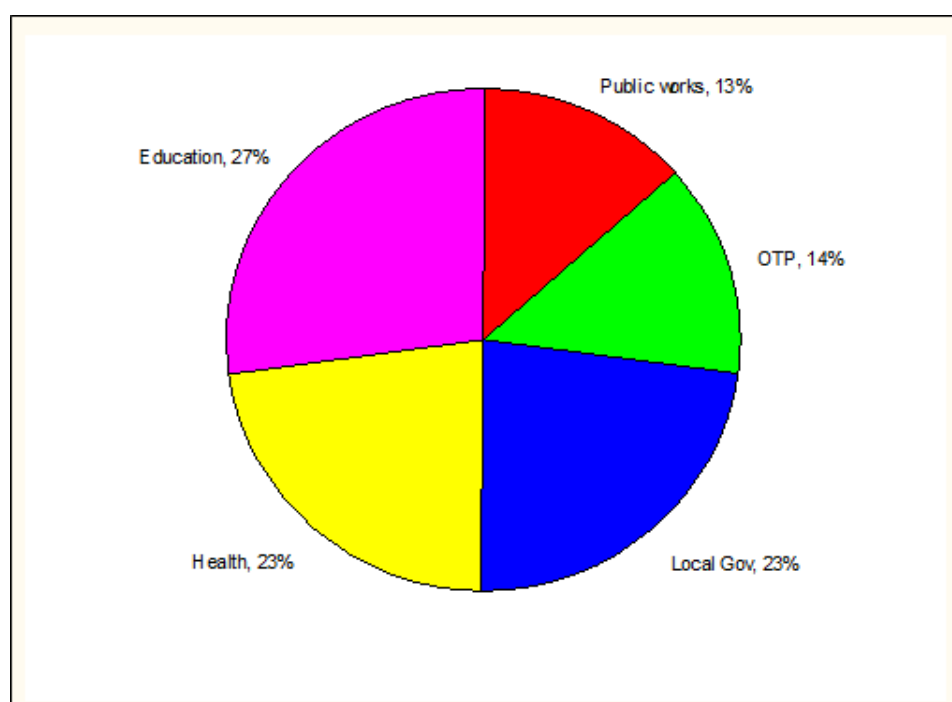


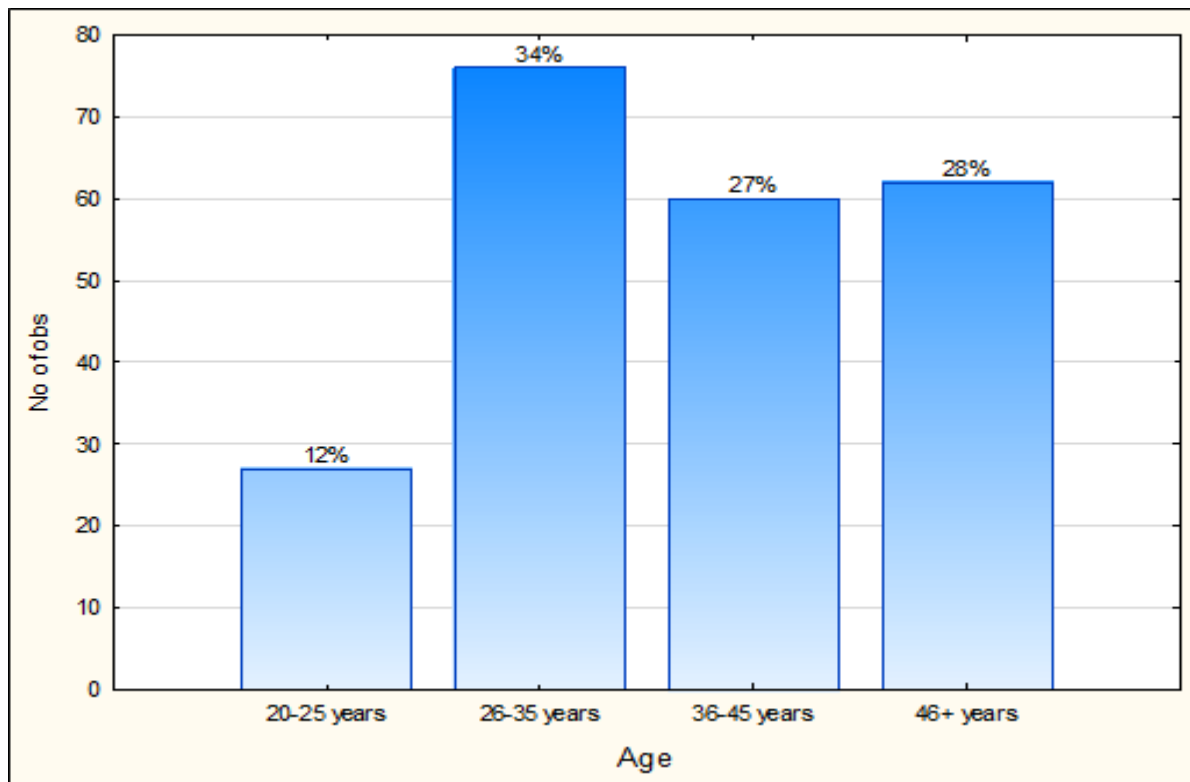
Table 8.2 indicates that 225 Questionnaires were distributed at the five selected Departments of the Eastern Cape Provincial Administration. According to the Table and Chart 8.4 100% of Questionnaires were received on time. The response rate of 100 percent received for this study was therefore considered as excellent. The Chart 8.2 indicates the results per department.

8.5 RESPONSES WITH REGARD TO AGE

Table 8.3: Responses with regard to age

Ages			
		Frequency	Percent
Valid	20-25 years	27	12,0
	26-35 years	76	33,8
	36-45 years	60	26,7
	46+ years	62	27,6
	Total	225	100,0

Figure 8.2: Responses with regard to age



The majority of the respondents as indicated in Table 8.3 and Figure 8.2 were between the ages of 26-35 years (34%) and 46 years and above (28%) and 36-45 years (27%). This indicates that most of the respondents were relatively older and thus more experienced. This picture could also indicate the Provincial Government of the Eastern Cape fail to employ or retain a younger workforce. Also the absence of responses from the people of over 60 years can be explained by the fact that the mandatory retirement age in Public Institution is 60 years although it is not compulsory.

8.6 RESPONSE WITH REGARD TO THE QUALIFICATION

Table 8.4: Response with regard to the qualification

Qualifications			
		Frequency	Percent
Valid	Bachelor's degree or diploma	131	58,2
	Honours degree or equivalent	27	12,0
	Master's degree	19	8,4
	Doctorate degree	2	,9
	Other	46	20,4
	Total	225	100,0

Figure 8.3: Response with regard to the qualification

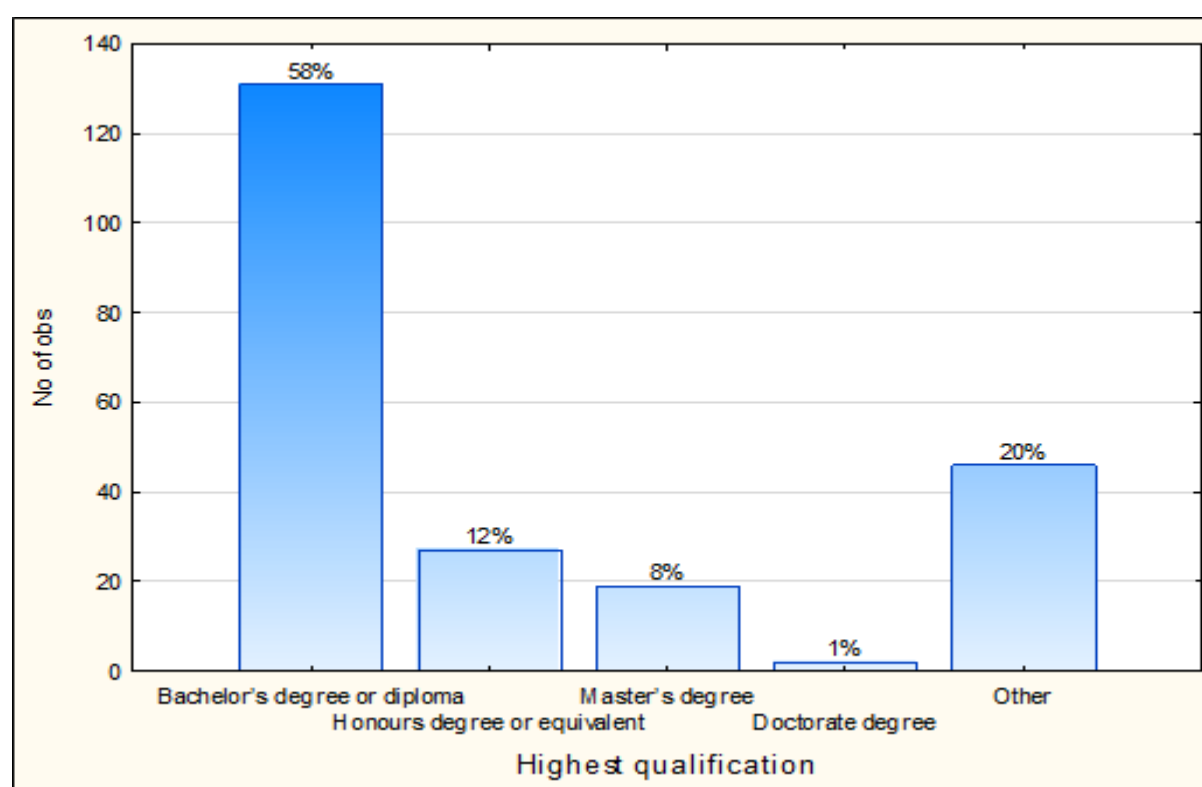


Table 8.4 and Figure 8.3 it is clear that the majority of the respondents (58%) had a bachelor's degree or diploma. Respondents with Honors (12%) Masters (8%) Doctoral (1%) respondents with other qualifications (20%). It can be noted that from Table 8.4 and Chart 8.3 that the majority of responses were from people with Bachelor's degree or diploma (58%). This can be explained by the fact that the minimum requirement for

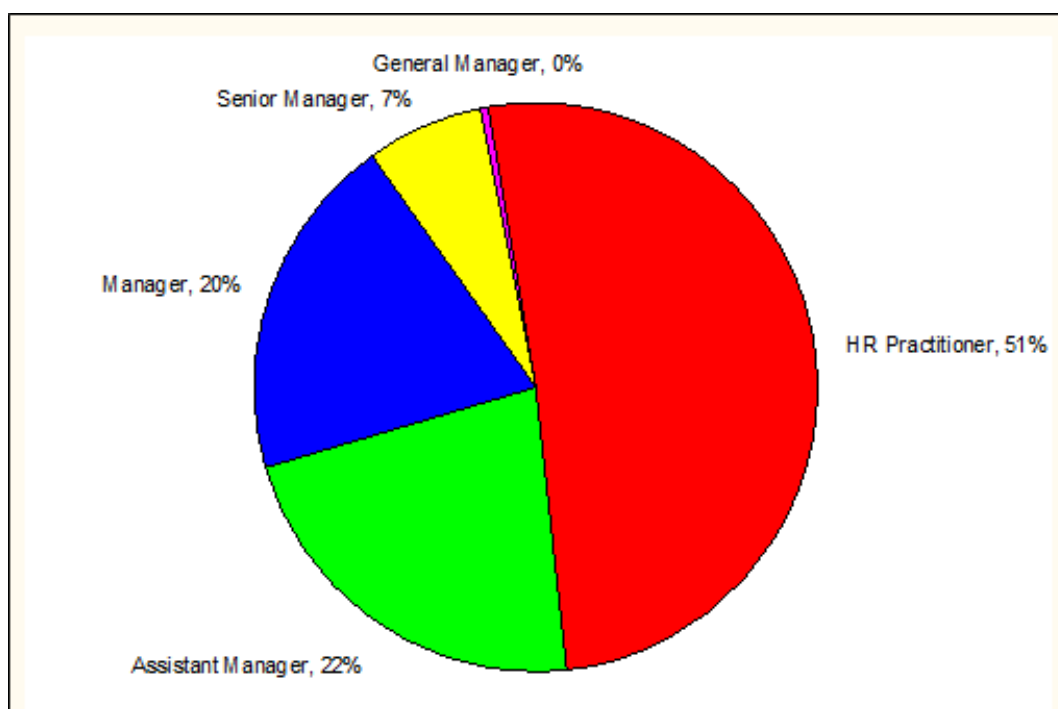
direct entry into the Public Service Institutions is the matric plus a three year degree or diploma. The second highest response was from individuals with others (20%). It can be noted that the background of the Eastern Cape Administration was born after the amalgamation of the three former homelands governments whereby the minimum requirements to enter into the Public Service Administration was only Grade 12 or Standard 10.

8.7 RESPONSE WITH REGARD TO RANK

Table 8.5: Response with regard to rank

Positions			
		Frequency	Percent
Valid	HR Practitioner	115	51,1
	Assistant Manager	50	22,2
	Manager	44	19,6
	Senior Manager	15	6,7
	General Manager	1	,4
	Total	225	100,0

Figure 8.4: Response with regard to rank



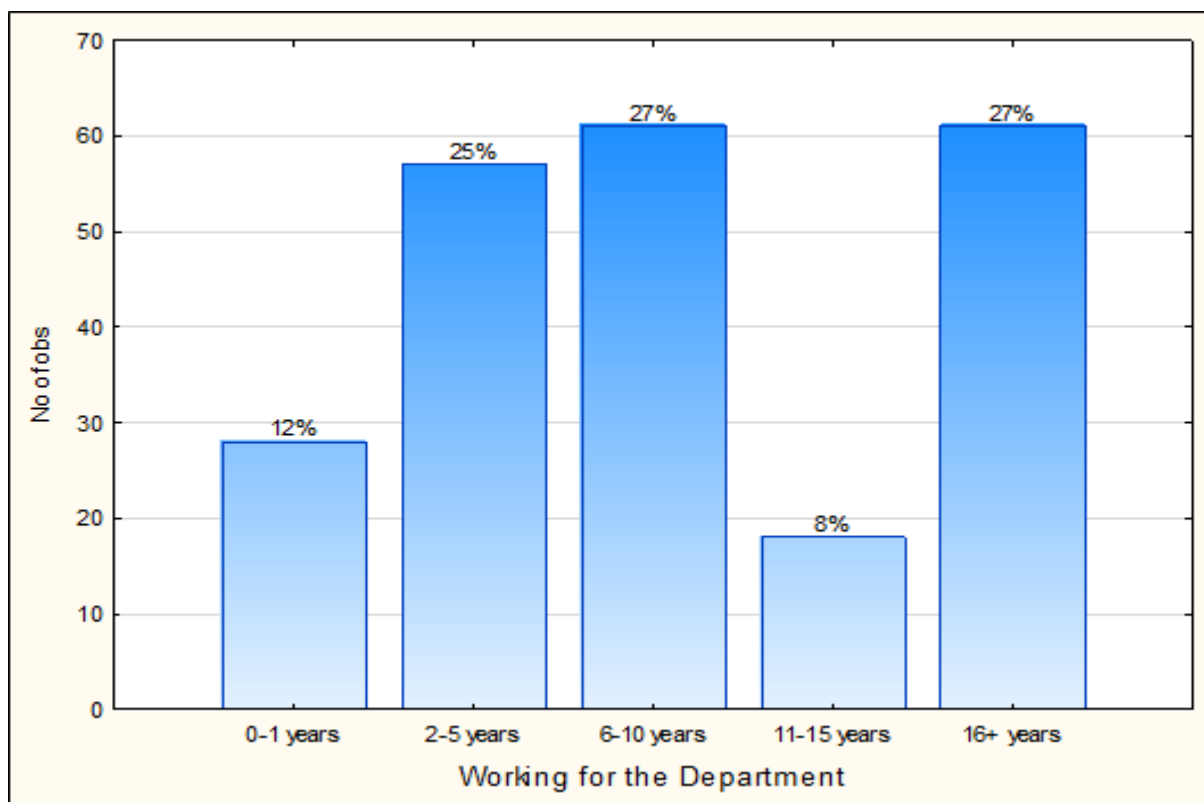
It is evident that both Table 8.7 and Chart 8.4 that most of the respondents (51.1%) were HR practitioners. The second category is the Assistant Managers (22%) and followed by the Managers with (20%). Respondents from the Senior Management only made (7%).

8.8 RESPONSE WITH REGARDS TO LENGTH OF SERVICE

Table 8.6: Response with regards to length of service

Working Experience			
		Frequency	Percent
Valid	0-1 years	28	12,4
	2-5 years	57	25,3
	6-10 years	61	27,1
	11-15 years	18	8,0
	16+ years	61	27,1
	Total	225	100,0

Figure 8.5: Response with regards to length of service



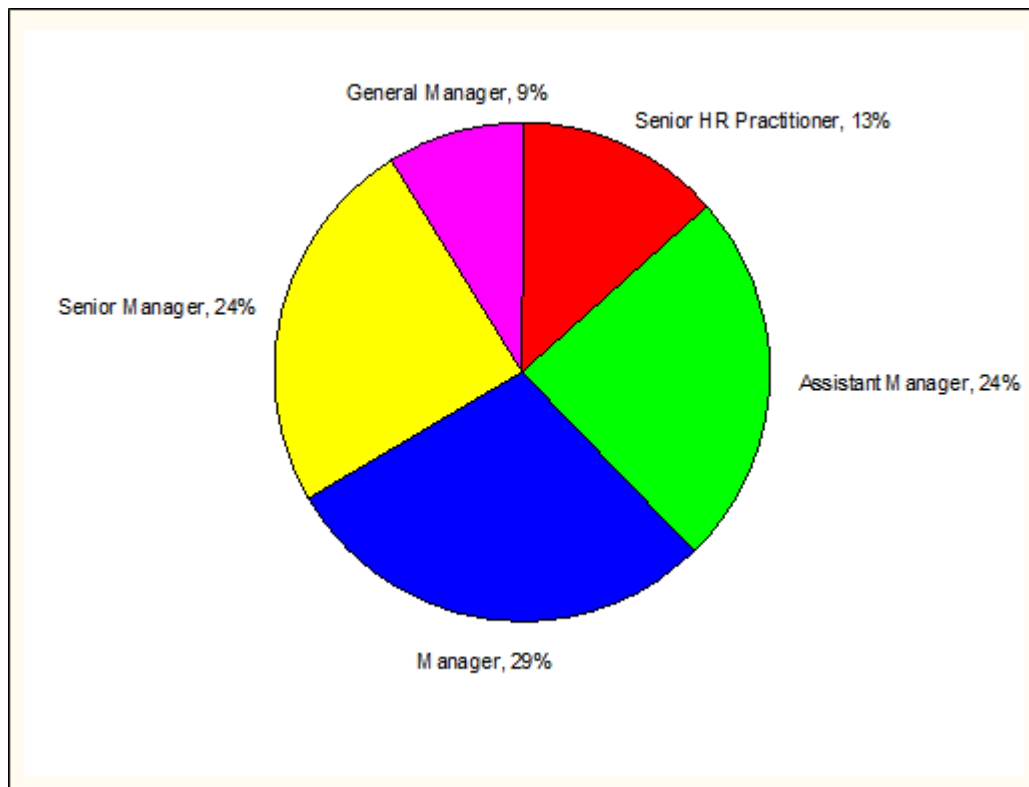
It can be observed that Table 8.8 and Chart 8.5 that a large number of the respondents according to the years served in the position were in the category (6-10 years) and (16 + years) both categories are made up of (27%) each. The second category 2-5 years (25%) the third category 0-1 years made up (12%) and the last category made up of (8%) 11-15 years. The results added a credibility and validity to the study in the sense that the majority of the respondents were people who had extensive work experience. It can also noted that 54 percent of the respondents had served in their positions for a period of six years or more. In my observation once a government employee reaches the level of a Middle Manager Level (12) they find it very difficult to penetrate through to the level of a Senior Manage Level (13) hence category 11-15 years only made up of (8%). It can be assumed that those who had served for more than 16 years have a deeper understanding of issues related to staff retention and motivation of employees and therefore could offer more useful and reliable information on the subject itself.

8.9 RESPONSE ACCORDING TO MANAGEMENT POSITION IN THE ORGANISATION

Table 8.7: Response according to management position in the organisation

Line of Reporting			
		Frequency	Percent
Valid	Senior HR Practitioner	30	13,3
	Assistant Manager	55	24,4
	Manager	65	28,9
	Senior Manager	55	24,4
	General Manager	20	8,9
	Total	225	100,0

Figure 8.6: Response according to management position in the organisation



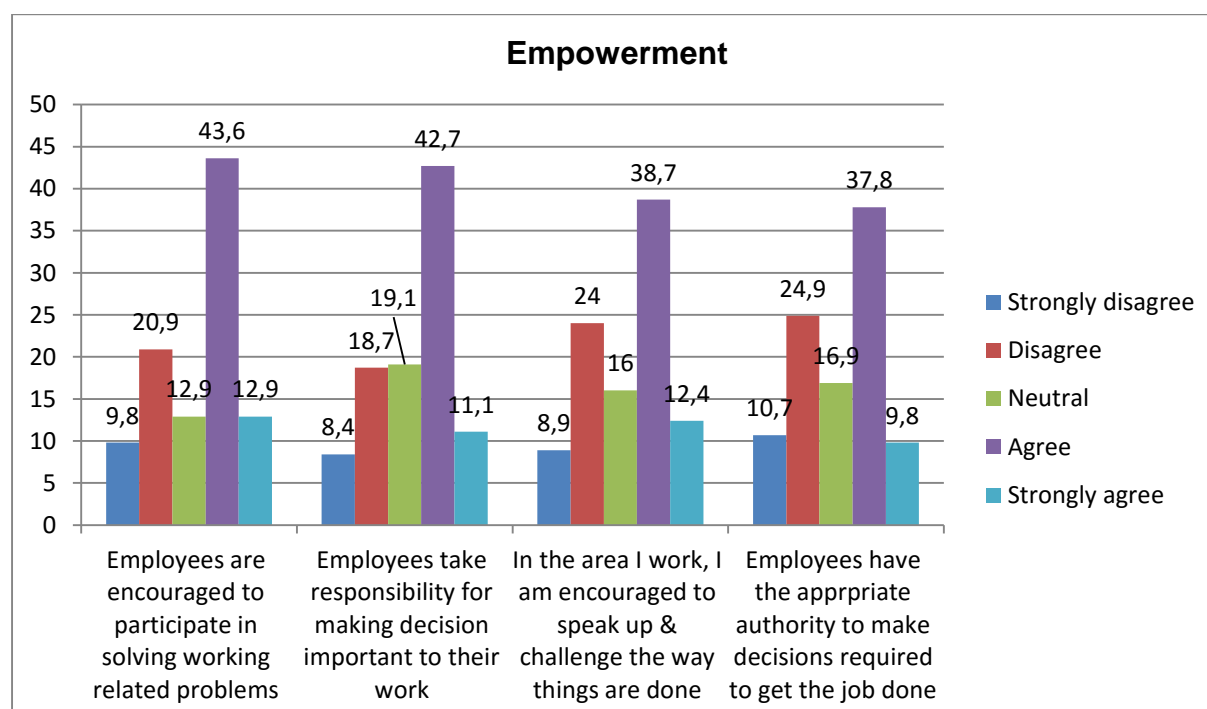
The results from the analysis of the management. Positions indicate that the majority of the responses were from the Middle management that is level 11-12 (29%). The responses from the Senior Management made up of (25%) while Assistant Manager also made up of (25%). The HR practitioners made up of (14%) and General Managers made up of (9%). It is important to note that the above results provides validity and reliability to the results of the empirical study on the assumption that Managers in higher positions understood the subject of the study and therefore could after better informed, valid and reliable information that was crucial to the success of the research study.

8.10 SUMMARY OF RESPONSES: STRATEGIC ISSUES

Table 8.8: Empowerment

Empowerment							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. Employees are encouraged to participate in solving work-related problems.	9.8	20.9	12.9	43.6	12.9	3.29	1
2. Employees take responsibility for making decisions important to their work.	8.4	18.7	19.1	42.7	11.1	3.29	2
3. In the area I work, I am encouraged to speak up and challenge the way things are done.	8.9	24.0	16.0	38.7	12.4	3.22	3
4. Employees have the appropriate authority to make decisions required to get the job done.	10.7	24.9	16.9	37.8	9.8	3.11	4

Figure 8.7: Empowerment



Rank: 1

(44%) of the respondents agree, (20%) disagree (14%) were Neutral, (12%) strongly agree and (10%) Strongly disagree. It is important to understand the meaning of participate in solving work related problems. The above information indicates that the 57 per cent of the respondents believe that it is important to participate in solving work related problems.

Rank: 2

(43%) of the respondents agree (19%) were Neutral (18%) of the respondents disagree (11%) of respondents strongly agree and (9%) of respondents strongly disagree. The above information indicates that 54 per cent of the respondents feels that it is important for employees to take responsibility for making decisions important to their work.

Rank: 3

(39%) of the respondents agree, (24%) of the respondents disagree (16%) were Neutral (12%) Strongly agree and (9%) Strongly disagree. The above information indicates that 51 per cent of the respondents confirms that employees are encouraged to speak up and challenge the way things are done.

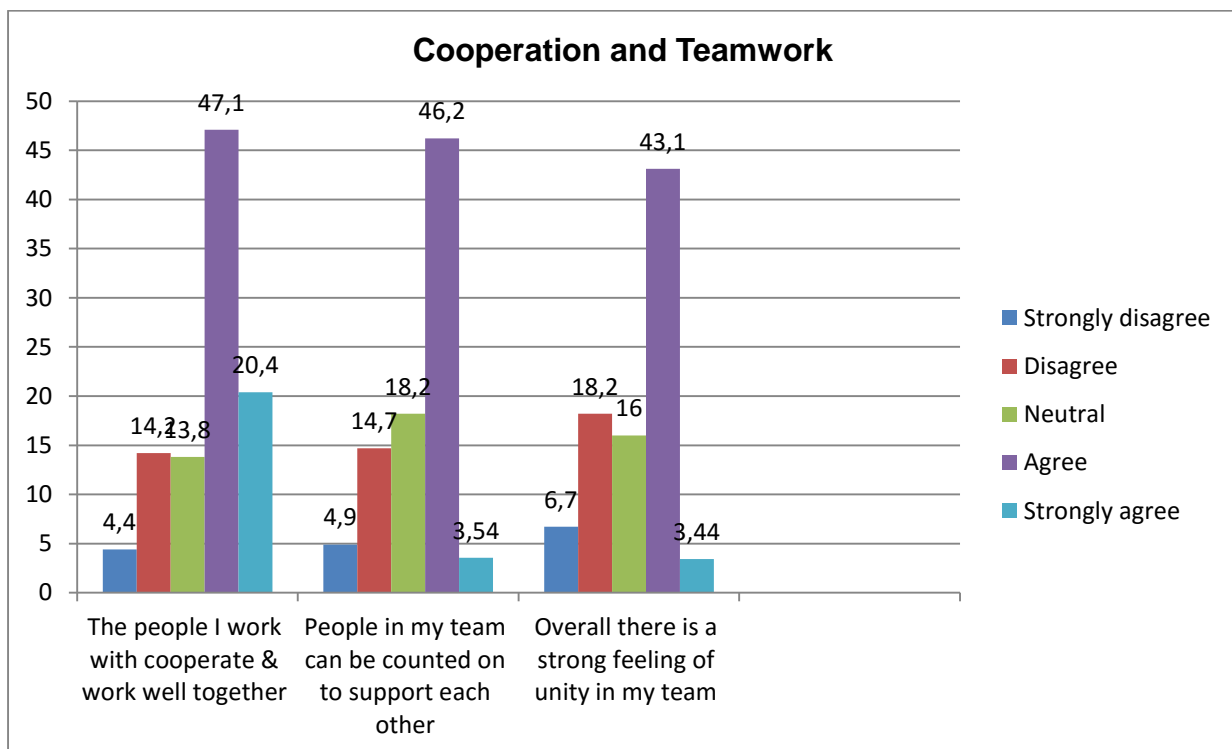
Rank: 4

(38%) of the respondents agree (25%) of the respondents disagree (16.9%) were Neutral (10.7%) Strongly disagree and (9.8%) of the respondents strongly agree. The above information indicates that only 48 per cent of the employees have the appropriate authority to make decisions required to get the job done.

Table 8.9: Cooperation and Teamwork

Cooperation and Teamwork							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. The people I work with cooperate and work well together.	4.4	14.2	13.8	47.1	20.4	3.65	1
2. People in my team can be counted on to support each other	4.9	14.7	18.2	46.2	16.0	3.54	2
3. Overall, there is a strong feeling of unity in my team.	6.7	18.2	16.0	43.1	16.0	3.44	3

Figure 8.8: Cooperation and Teamwork



Rank: 1

(47.1%) of the respondents agree (20%) of the respondents strongly agree (14%) of the respondents disagree (4%) of the respondents strongly disagree and (13%) of the

respondents are uncertain. The above information indicates that the 67 per cent of the respondents believe that it is important to cooperate and work well together.

Rank: 2

(45%) of the respondents agree (18%) respondents are uncertain (14%) respondents disagree (5%) respondents strongly disagree and (3%) respondents strongly agree. The above information indicates that 50 per cent of respondents believe that people in the team can be counted on to support each other.

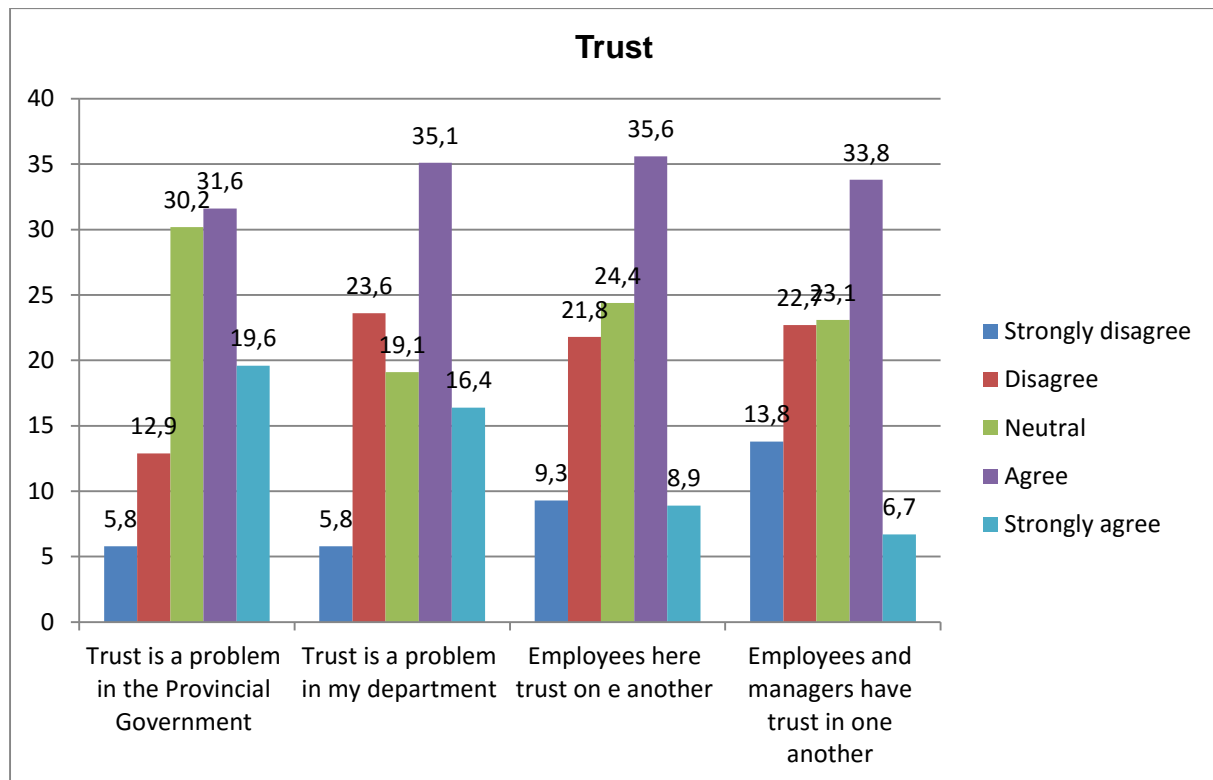
Rank: 3

(43%0 of the respondents agree (17%) disagreed (16%) of respondents are uncertain (6%) strongly disagree and (3%) of the respondents strongly agree. The above information indicates the only 47 per cent of employees who feels that it is imperative that, there should be a spirit of teamwork and strong cooperation and work well together.

Table 8.10: Trust

Trust							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. Trust is a problem in the Provincial Government	5.8	12.9	30.2	31.6	19.6	3.46	1
2. Trust is a problem in my Department	5.8	23.6	19.1	35.1	16.4	3.33	2
3. Employees here trust one another.	9.3	21.8	24.4	35.6	8.9	3.13	3
4. Employees and managers have trust in one another.	13.8	22.7	23.1	33.8	6.7	2.97	4

Figure 8.9: Trust



Rank: 1

(31%) of the respondents agree (30%) of respondents are uncertain (19%) strongly agree (12%) disagree and (6%) strongly disagree. The above information indicates that 51 per cent of the employees who confirms that trust is a big problem in Provincial Government of the Eastern Cape.

Rank: 2

(35%) of the respondents agree (23%) disagree with that statement (19%) respondents are uncertain (16%) respondents strongly agree and (6%) strongly disagree. The above information indicates that 51 per cent of the employees confirms that trust is a big problem in their department.

Rank: 3

(35%) of the respondents agree (24%) of respondents are uncertain (23%) disagree (9%) of respondents strongly disagree and (8%) strongly agree. The above information

indicates that 45 per cent who confirms that employees in their workplace trust one another

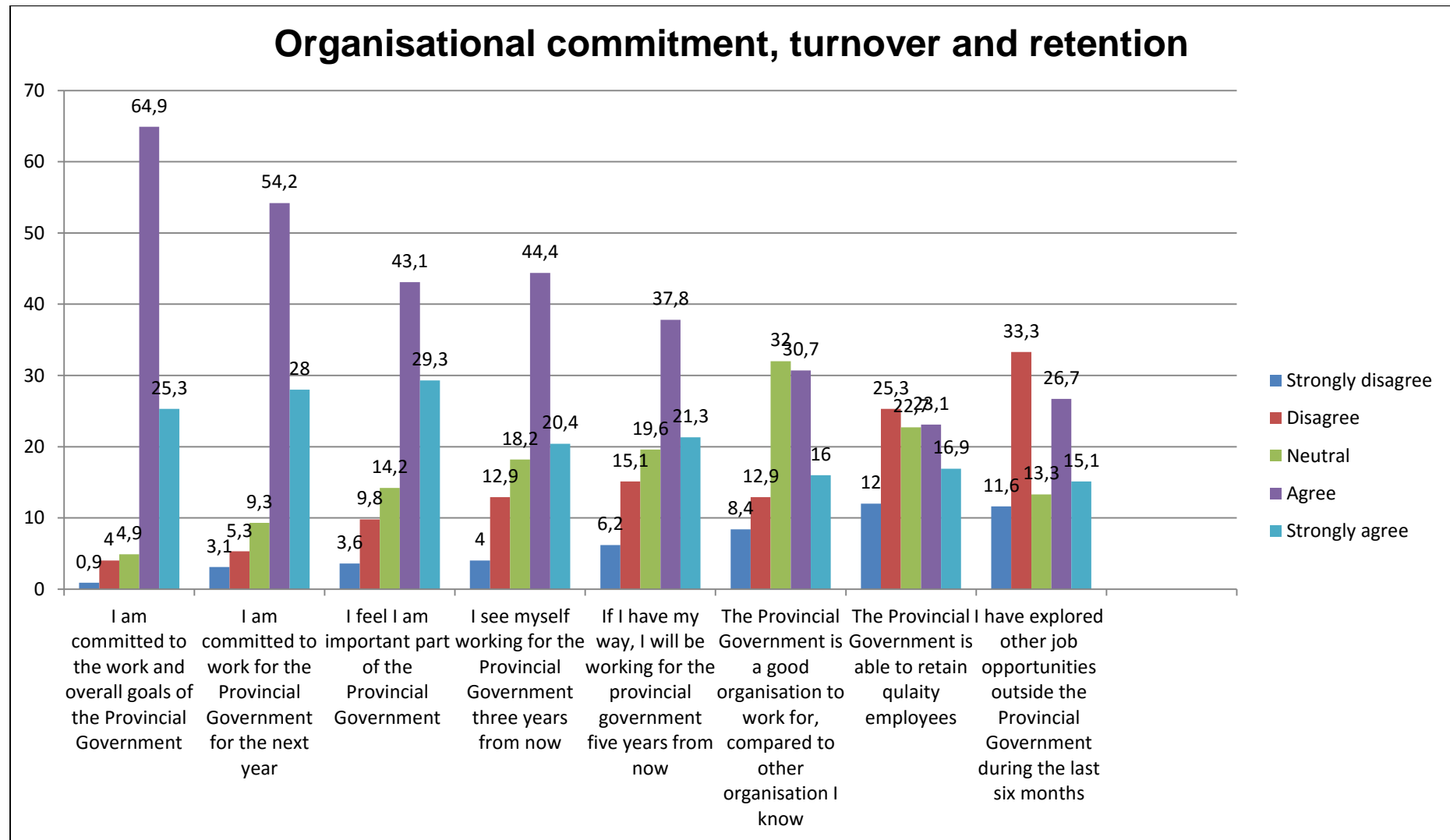
Rank: 4

(34%) of the respondents agree (22%) of respondents are uncertain (21%) disagree (13%) strongly disagree and (7%) of respondents strongly agree. The above information indicates that 41 per cent who confirms that employees and managers have trust in one another.

Table 8.11: Organisational commitment, turnover and retention

Organisational commitment, turnover and retention							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I am committed to the work and overall goals of the Provincial Government.	.9	4.0	4.9	64.9	25.3	4.10	1
2. I am committed to work for the Provincial Government for the next year.	3.1	5.3	9.3	54.2	28.0	3.99	2
3. I feel I am an important part of the Provincial Government.	3.6	9.8	14.2	43.1	29.3	3.85	3
4. I see myself working for the Provincial Government three years from now.	4.0	12.9	18.2	44.4	20.4	3.64	4
5. If I have my way, I will be working for the Provincial Government five years from now	6.2	15.1	19.6	37.8	21.3	3.53	5
6. The Provincial Government is a good organization to work for, compared to other organizations I know about.	8.4	12.9	32.0	30.7	16.0	3.33	6
7. The Provincial Government is able to retain quality employees.	12.0	25.3	22.7	23.1	16.9	3.08	7
8. I have explored other job opportunities outside The Provincial Government during the last six months	11.6	33.3	13.3	26.7	15.1	3.00	8

Figure: 8.10: Organisational commitment, turnover and retention



Rank: 1

(64.9%) of the respondents agree (25.3%) of the respondents strongly agree (4.9%) of the respondents were neutral (4%) disagree and (0.9%) of the respondents strongly disagree. The above information indicates that more than 90 per cent of the employees are committed to the work and overall goals of the Provincial Government.

Rank: 2

(54.2%) of the respondents agree (28%) of respondents strongly agree (9.3%) of the respondents were neutral (5.3%) disagree and (3.1%) of respondents strongly disagree. The above information indicates that 82 per cent of the employees are committed to work for the Provincial Government for the next year.

Rank: 3

(43.1%) of the respondents agree (29.3%) of the respondents strongly agree (14.2%) of the respondents were neutral (9.8%) disagree and (3.6%) of the respondents strongly disagree. The above information indicates that 72 per cent of the employees feels they are important as part of the Provincial Government.

Rank: 4

(44.4%) of the respondents agree (20.4%) of the respondents strongly agree (18.2%) of the respondents were neutral (12.9%) disagree and (4%) of the respondents strongly disagree. The above information indicates that 65 per cent of the employees see themselves working for the Provincial Government three years from now

Rank: 5

(37.8%) of the respondents agree (21.3%) strongly agree (19.6%) of the respondents were neutral (15.1%) disagree and (6.2%) of the respondents strongly disagree. The above information indicates that 59 per cent the employees who wish to work for the next five years for the Provincial Government.

Rank: 6

(32%) of the respondents were neutral (30.7%) of the respondents agree (16%) of the respondents strongly agree (12.9%) disagree and (8.4%) of the respondents strongly disagree. The above information indicates that 47 per cent of the employees who agree that the Provincial Government is a good organisation to work for compared to other organisation they know and 32 per cent of the employees were neutral.

Rank: 7

(25.8%) of the respondents disagree (23.1%) of respondents agree (22%) of the respondents were neutral (16.9%) of respondents strongly disagree and (12%) of respondents strongly disagree. The above information indicates that 45 per cent of the respondents who confirms that the Provincial Government is unable to retain quality employees.

Rank: 8

(33.3%) of the respondents disagree (26.7%) of the respondents strongly agree (13.3%) of the respondents were neutral and (11.6%) of respondents strongly disagree. The above information confirms that 42` per cent of employees confirms that they have explored other job opportunities outside the Provincial Government during the last six months.

Table 8.12: Attraction

Attraction							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I am proud to tell other people that I work for the Provincial Government	6.2	15.6	12.4	54.2	11.6	3.49	1
2. People from outside of the Provincial Government think that this is a good place to work.	3.6	21.8	13.3	48.0	13.3	3.46	2

Attraction							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
3. I would recommend this Provincial Government as a good place to work to someone looking for a job	7.1	15.1	24.0	39.1	14.7	3.39	3

Figure :8.11: Attraction



Rank: 1

(54.2%) of respondents agree (15.6%) of respondents disagree (12.4%) of respondents were uncertain (11.6%) strongly agree and (6.2%) of respondents strongly disagree. The above information indicates that 66 per cent of respondents feels that they proud to tell other people that they work for the Provincial Government.

Rank: 2

(48%) of the respondents agree (21.8%) disagree (13.3%) of respondents are uncertain (13.3%) of respondents strongly agree and (3.6%) of respondents strongly

disagree. The above information indicates that 61 per cent of the respondents feels that people from outside the Provincial Government thinks it's a good place to work.

Rank: 3

(39.1%) of respondents agree (24%) of respondents are uncertain (15.1%) of respondents disagree (14.78%) of respondents strongly agree and (7.1%) strongly disagree. The above information indicates that 54 per cent of the respondents feels that they would recommend Provincial Government as a good place to work

Table 8.13: Job Satisfaction

Job satisfaction							
Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I believe my work is important to the Provincial Government	2.7	9.3	8.4	48.0	31.6	3.96	1
2. I am doing something that I consider satisfying and worthwhile in my job.	4.0	12.9	6.7	56.9	19.6	3.75	2
3. I enjoy my job.	4.9	13.3	12.0	43.6	26.2	3.73	3
4. My work gives me a feeling of personal accomplishment.	5.3	12.9	8.4	54.7	18.7	3.68	4
5. My job makes good use of my skills and abilities.	5.8	15.1	12.9	41.8	24.4	3.64	5

Figure: 8.12: Job Satisfaction



Rank: 1

(48%) of respondents agree (31.6%) strongly agree (9.3%) disagree (8.4%) of respondents are uncertain and (2.7%) strongly disagree. The above information indicates that less than 80 per cent of employees of the Provincial Administration agree that the work they are doing is important to the Provincial Government.

Rank: 2

(56.9%) of respondents agree (19.6%) of respondents strongly agree (12.9%) totally disagree (6.7%) of respondents are uncertain and (4%) of respondents strongly disagree. The above information means that 77 per cent of the respondents they consider that they are doing something satisfying and worthwhile in their jobs.

Rank: 3

(43.6%) of respondents agree (26.2%) strongly agree (13.3%) of respondents disagree (12%) of the respondents are uncertain and (4.9%) of the respondents strongly disagree. The above information indicates that 70 per cent of the respondents enjoy the work they are doing.

Rank: 4

(54.7%) of respondents agree (18.7%) strongly agree (12.9%) disagree (8.4%) of the respondents are uncertain and (5.3%) of respondents strongly disagree. The information above indicates that 73 per cent of the respondents feels that their work gives them a feeling of personal accomplishment.

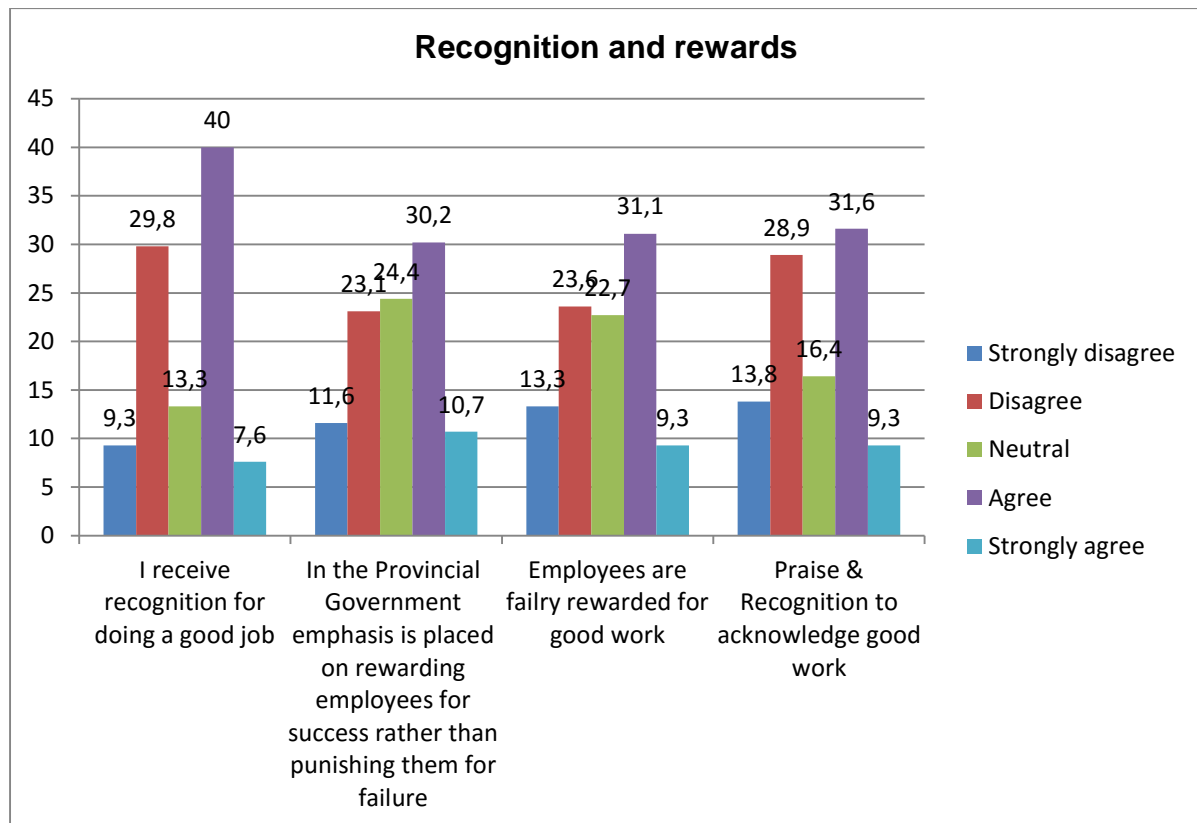
Rank: 5

(41.8%) of respondents agree (24.4%) of respondents strongly agree (15.1%) of respondents total disagree (12.9%) of respondents are uncertain and (5.8%) of respondents strongly disagree. The above information indicates that 66 per cent of the respondents feels that their job makes good use of their skills and abilities .

Table 8.14 Recognition and Rewards

Recognition and rewards							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I am satisfied with the recognition I receive for doing a good job.	9.3	29.8	13.3	40.0	7.6	3.07	1
2. In the Provincial Government emphasis is placed on rewarding employees for success rather than punishing them for failure.	11.6	23.1	24.4	30.2	10.7	13.05	2
3. Employees are fairly rewarded for good work.	13.3	23.6	22.7	31.1	9.3	3.00	3
4. My department uses praise and recognition to acknowledge good work.	13.8	28.9	16.4	31.6	9.3	2.94	4

Figure : 8.13: Recognition and Rewards



Rank: 1

(40%) of respondents agree (29.8%) disagree (13.3%) of respondents are uncertain (9.3%) of respondents strongly agree and (7.6%) of respondents strongly disagree. The information above indicates that 48 per cent of the respondents who confirms that they receive for doing a good job.

Rank: 2

(30.2%) of the respondents agree (24.4%) of respondents are uncertain (23.1%) of respondents disagree (11.6%) if respondents strongly agree and (7.6%) of respondents strongly disagree. The above information indicates that 41 per cent of the respondents who confirms that in the Provincial Government emphasis is placed on rewarding employees for success rather than pushing them for failure.

Rank: 3

(31.1%) of respondents agree (23.6%) of respondents disagree (22.7%) respondents are uncertain (13.3%) respondents strongly agree and (9.3%) of respondents strongly disagree. The information above indicates that 40 per cent of respondents confirms that employees are fairly rewarded for good work

Rank: 4

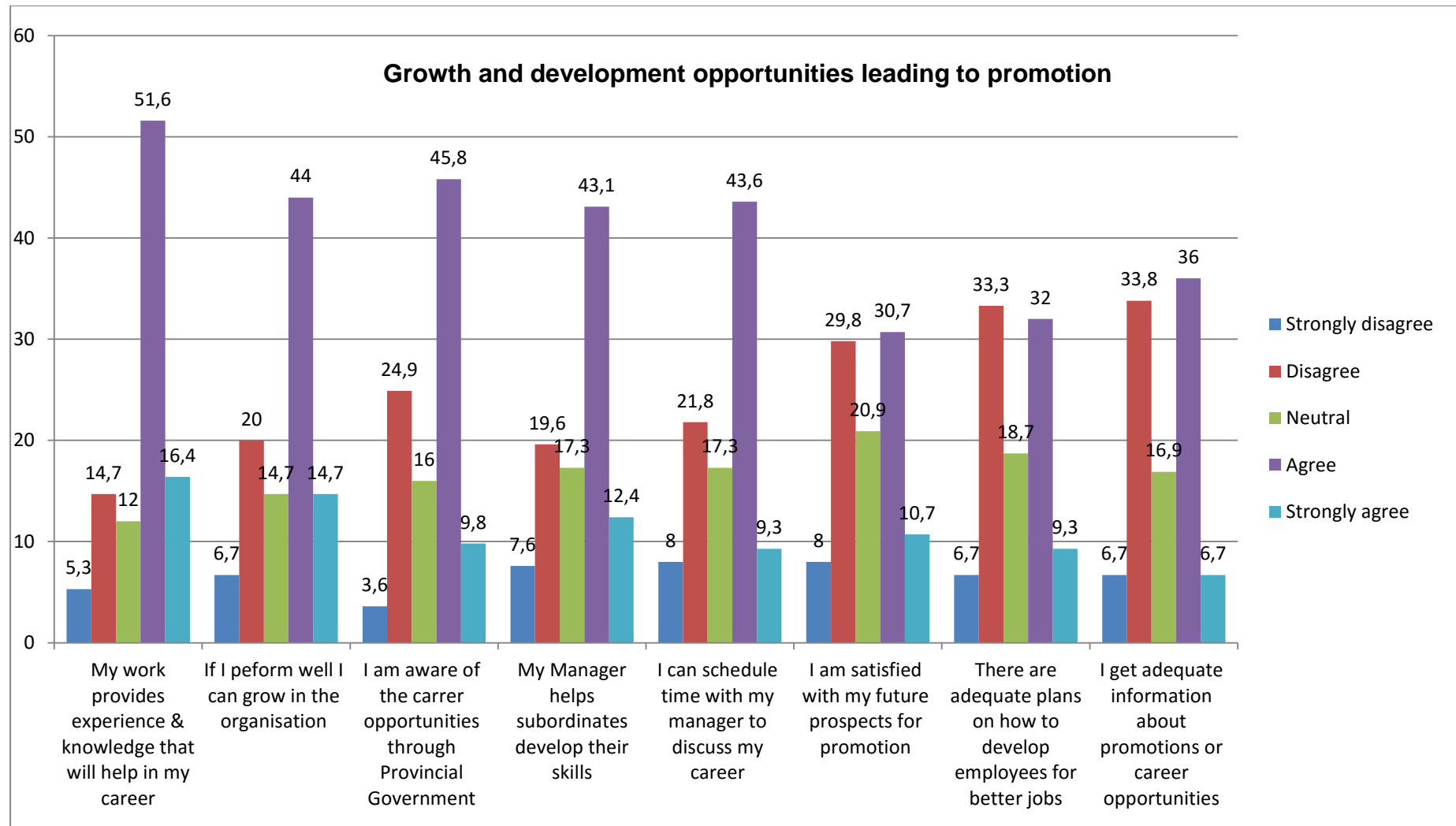
(31.6%) of respondents agree (28.9%) of respondents disagree (16.4%) of respondents are uncertain (13.8%) strongly agree and (9.3%) of respondents strongly disagree. The above information indicates that 41 per cent of the respondents confirm that employees are praise & recognition to acknowledge good work

Table 8.15: Growth and Development Opportunities Leading to Promotion

Growth and development opportunities leading to promotion							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. My work provides experience and knowledge that will help me in my career.	5.3	14.7	12.0	51.6	16.4	3.59	1
2. I know that if I perform my job well I can grow in this organization.	6.7	20.0	14.7	44.0	14.7	3.40	2
3. I am aware of the career opportunities throughout the Provincial Government.	3.6	24.9	16.0	45.8	9.8	3.33	3
4. My manager helps subordinates develop their skills	7.6	19.6	17.3	43.1	12.4	3.33	4
5. I can schedule time with my manager to discuss my career.	8.0	21.8	17.3	43.6	9.3	3.24	5
6. I am satisfied with my future prospects for promotion.	8.0	29.8	20.9	30.7	10.7	3.06	6

Growth and development opportunities leading to promotion							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
7. There are adequate plans on how to develop employees for better jobs.	6.7	33.3	18.7	32.0	9.3	3.04	7
8. I get adequate information about promotions or career opportunities.	6.7	33.8	16.9	36.0	6.7	3.02	8

Figure : 8.14: Growth and Development Opportunities Leading to Promotion



Rank: 1

(51.6%) of the respondents agree (16.4%) of respondents strongly agree (14.7%) of respondents totally disagree (12%) of respondents are uncertain (5.3%) of respondents strongly disagree. The above information indicates that more than 68 per cent of the respondents feels that the work they are doing provides experience and knowledge that will help them in their careers.

Rank: 2

(44%) of the respondents agree (20%) of respondents disagree (4.7%) strongly agree (4.7%) of respondents are uncertain and (6.7%) of respondents strongly disagree. The information above indicates that 59 per cent less than 50% of the Provincial Administration employee if they perform well they can grow in the organisation.

Rank: 3

(45.8%) of the respondents agree (24.9%) disagree (16%) of the respondents are uncertain (9.8%) strongly agree and (3.6%) of the respondents strongly disagree. The above information indicates that 56 per cent of the respondents who are aware of the career opportunities throughout the Provincial Government.

Rank: 4

(43.1%) of the respondents agree (19.6%) of respondents disagree (17.3%) of respondents are uncertain (12.4%) of respondents strongly agree and (7.6%) of respondents strongly disagree. The above information indicates that 56 per cent of the respondents confirms that their managers help subordinates to develop their skills.

Rank: 5

(43.6%) of the respondents agree (21.8%) of the respondents disagree (17.3%) of the respondents are uncertain (9.3%) strongly agree and (8%) strongly disagree. The above information indicates that 53 per cent of the respondents confirms that they can schedule time with their managers to discuss their career.

Rank: 6

(30.7%) of the respondents agree (29.8%) of the respondents disagree (20.9%) of respondents are uncertain (10.7%) of respondents strongly agree and (8%) of respondents strongly disagree. The above information indicates that 41 per cent of the respondents who are satisfied with their future prospects for promotion.

Rank: 7

(33.3%) of respondents disagree 32%) of respondents agree (18.7%) of the respondents are uncertain (9.3%) strongly agree and (6.7%) of the respondents strongly disagree. The above information indicates that 41 per cent of the respondents confirms that there are adequate plans on how to develop employees for better jobs.

Rank: 8

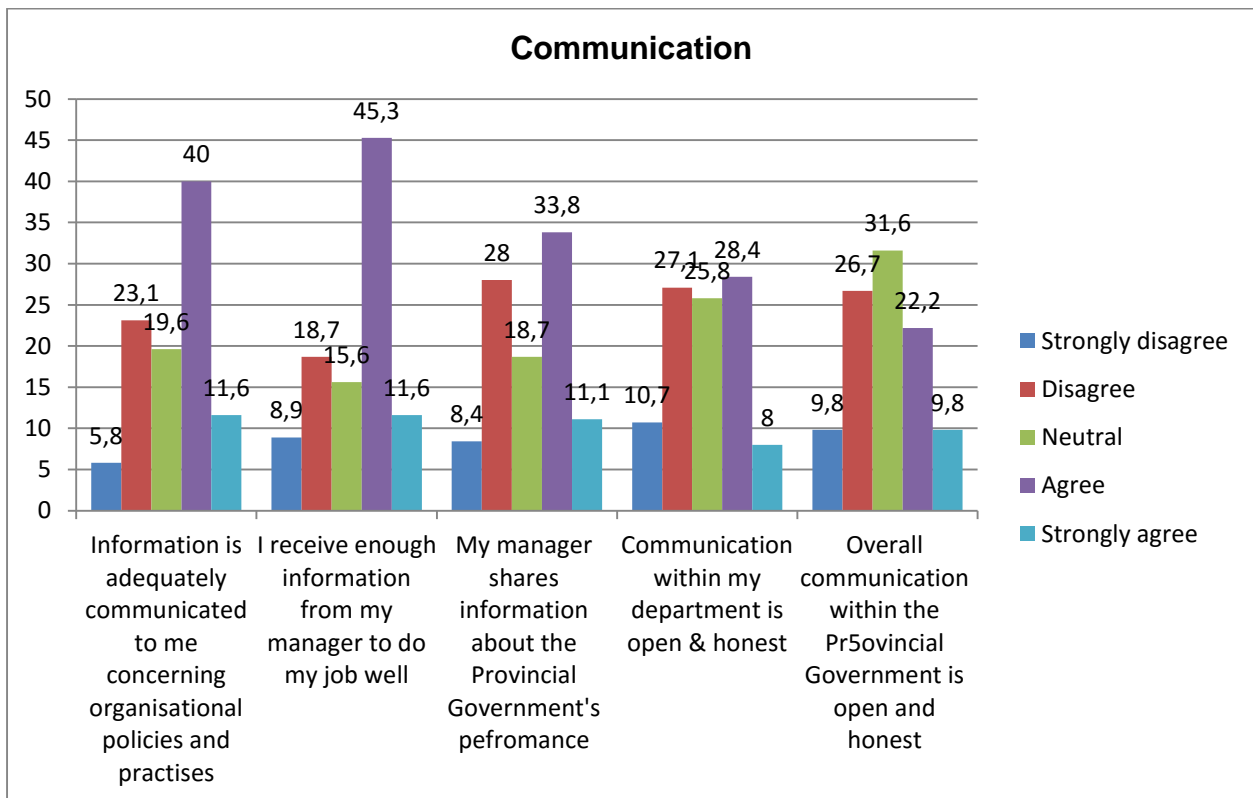
(36%) of respondents agree (33.8) of respondents disagree (16.9%) of respondents are uncertain (6.7%) of respondents strongly disagree and (6.7%) of respondents strongly agree. The above information indicates that 43 per cent of respondents confirm that they get adequate information about promotions or career opportunities.

Table 8.16: Communication

Communication							
Question	Strongly v	Disagree e	Neutral	Agree	Strongly v Agree	mean	rank
1. Information is adequately communicated to me concerning organizational policies and practices.	5.8	23.1	19.6	40.0	11.6	3.28	1
2. I receive enough information from my manager to do my job well.	8.9	18.7	15.6	45.3	11.6	3.32	2
3. My manager shares information about the Provincial Government's performance with me.	8.4	28.0	18.7	33.8	11.1	3.11	3

4. Communication within my Department is open and honest.	10.7	27.1	25.8	28.4	8.0	2.96	4
5. Overall, communication within the Provincial Government is open and honest	9.8	26.7	31.6	22.2	9.8	2.96	5

Figure: 8.15 – Communication



Rank: 1

(40.8%) of the respondents agree (23.1%) of the respondents disagree (19.6%) of respondents are uncertain (11.6%) of respondents strongly agree and (5.8%) of the respondents strongly disagree. The above information indicates that 52 per cent of respondents who confirms that information is adequately communicated to them concerning organizational policies and practices.

Rank: 2

(45.3%) of respondents agree (18.7%) of respondents disagree (15.6%) of respondents are uncertain (11.6%) of respondents strongly agree and (8.9%) of respondents strongly disagree. The above information indicates that 57 per cent of the respondents confirms that they received enough information from their managers to do their job well

Rank: 3

(33.8%) of the respondents agree (28.8%) of respondents disagree (18.7%) were neutral (11.1%) strongly agree and (8.4%) strongly disagree. The above information indicates that 45 percent of the respondents confirms that their managers shares information about the Provincial Government performance

Rank: 4

(28.4%) of the respondents agree (27.1%) of respondents disagree (25.8%) of the respondents were uncertain and (10.7%) of the respondents strongly disagree and (8%) of respondents strongly agree. The above information indicates that 36 per cent of the respondents agreed that communication within their department is open and honest.

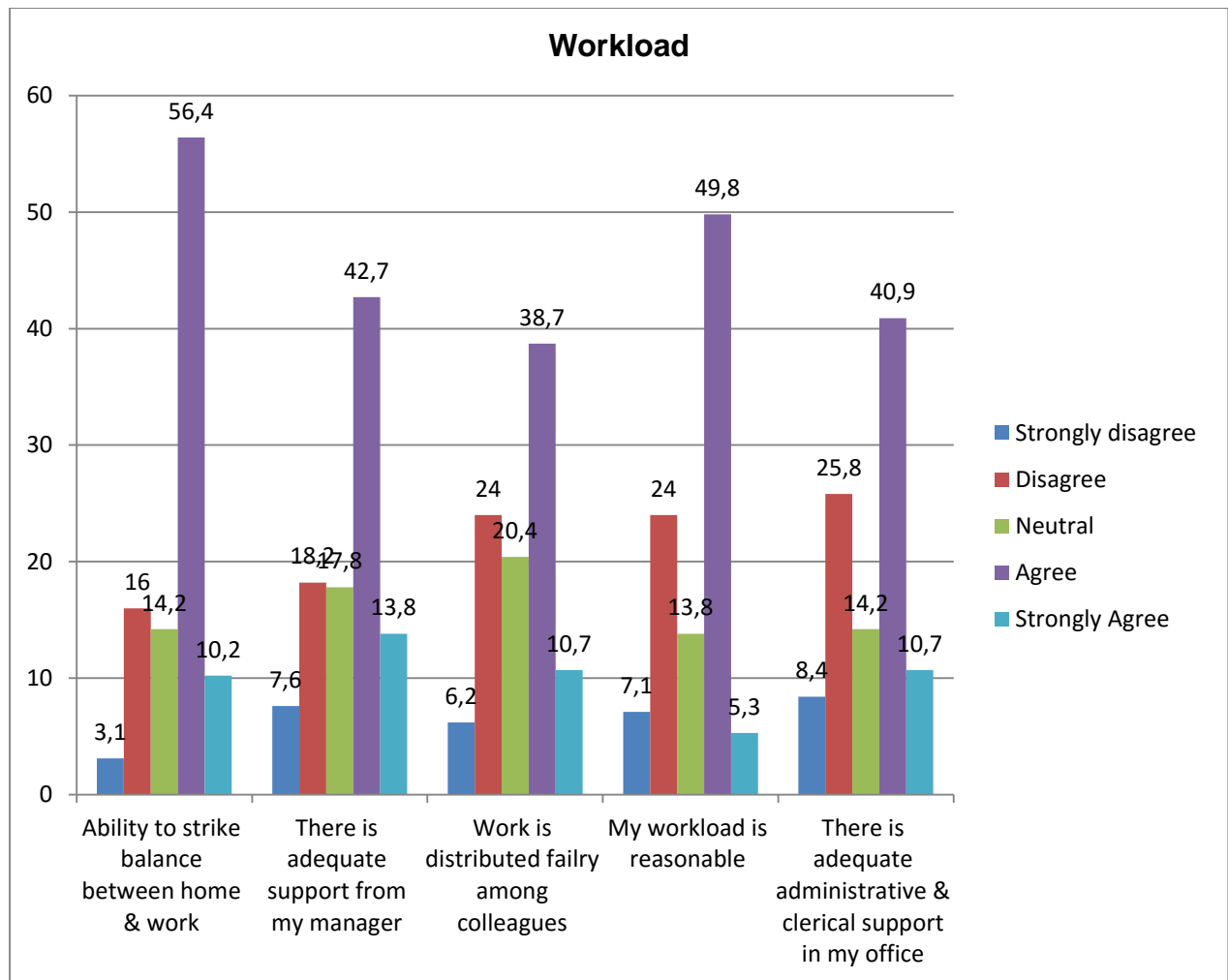
Rank: 5

(31.6%) of the respondents were neutral (26.7%) of the respondents disagree (22.2%) of the respondents agree (9.8%) of the respondents strongly agree and (9.8%) of the respondents strongly disagree. The above information indicates that 32 per cent of the respondents confirms that the overall communication within the Provincial Government is open and honest but also 32 percent of the respondents were neutral

Table 8.17: Workload

Workload							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I am able to strike a balance between my home and work life.	3.1	16.0	14.2	56.4	10.2	3.55	1
2. There is adequate support from my manager in my office.	7.6	18.2	17.8	42.7	13.8	3.37	2
3. Work is distributed fairly among colleagues.	6.2	24.0	20.4	38.7	10.7	3.24	3
4. My workload is reasonable.	7.1	24.0	13.8	49.8	5.3	3.22	4
5. There is adequate administrative and clerical support in my office.	8.4	25.8	14.2	40.9	10.7	3.20	5

Figure: 8.16: Workload



Rank: 1

(56.4%) of the respondents agree (16%) disagree (14.2%) were uncertain (10.2%) strongly agree and (3.1%) strongly disagree. The above information indicates that 67 percent of the respondents confirms that they are able to balance between their home and work life.

Rank: 2

(42.7%) of the respondents agree (18.2%) of the respondents disagree (17.8%) of the respondents were neutral (13.8%) strongly agree and (7.6%) strongly disagree. The above information indicates that 57 per cent of the respondents confirms that there is adequate support from their manger in their offices.

Rank: 3

(38.7%) of the respondents agree (24.8%) of respondents disagree (20.4%) of respondents were neutral (10.7%) of respondents strongly agree and (6.2%) of respondents strongly disagree. The above information indicates that 49 per cent of the respondents confirms that work is distributed fairly among colleagues although 24 per cent of the respondents disagree and 20 per cent were neutral.

Rank: 4

(49.8%) of respondents agree (24%) of respondents disagree (13.8%) of respondents were neutral (7.1%) strongly disagree and (5.3%) strongly agree. The above information indicates 55 per cent of the respondents agree that their workload is reasonable.

Rank: 5

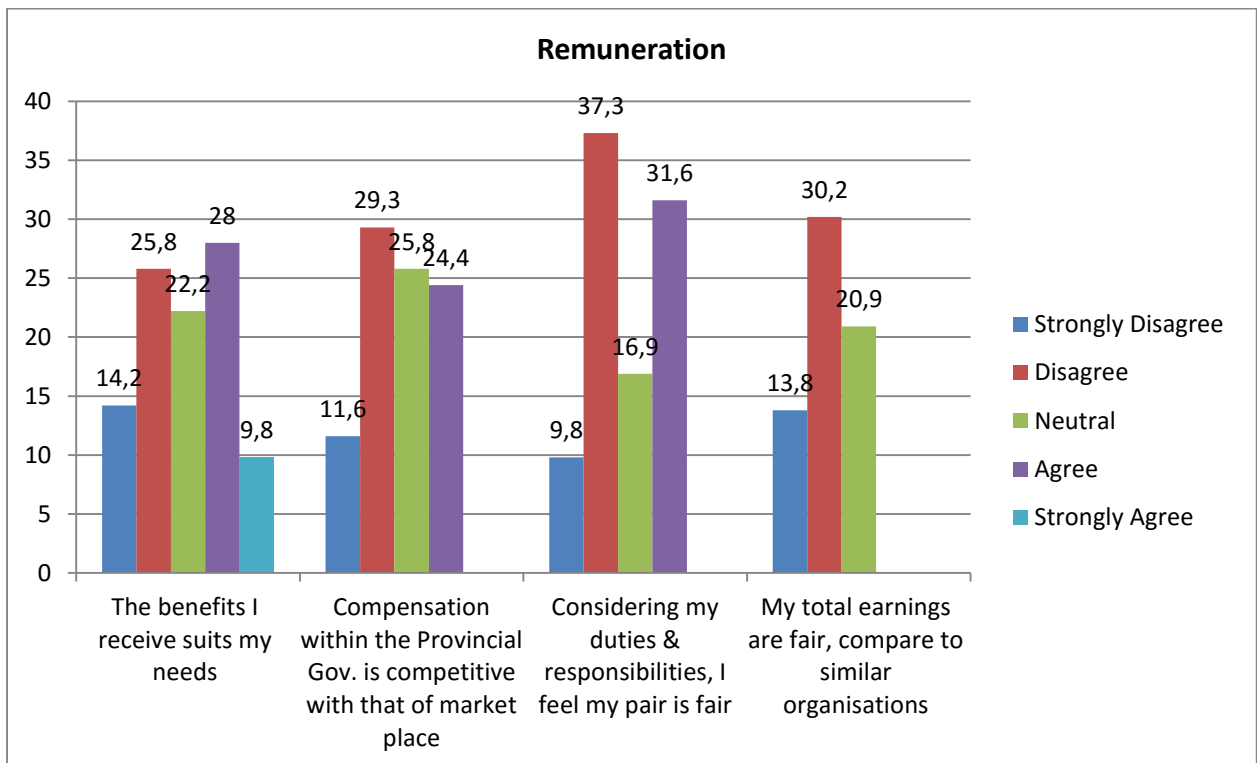
(40.9%) of respondents agree (25.8%) of respondents disagree (14.2%) of respondents were neutral (10.7%) of respondents strongly agree and (8.4%) of respondents strongly disagree. The above information indicates that 52 per cent of the respondents confirms that there is an adequate administrative and desired support in their offices.

Table 8.18: Remuneration

Remuneration							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. The benefits I receive (e.g. pension, medical aid) suit my needs.	14.2	25.8	22.2	28.0	9.8	2.93	1
2. Compensation within the Provincial Government is competitive with that of the marketplace	11.6	29.3	25.8	24.4	8.9	2.90	2

3. Considering my duties and responsibilities, I feel my pay is fair	9.8	37.3	16.9	31.6	4.4	2.84	3
4. My total earnings are fair, when compared to employees in similar positions in other organizations.	13.8	30.2	20.9	29.8	5.3	2.83	4

Figure: 8.17: Remuneration



Rank: 1

(28%) of respondents agree (25.8%) of respondents disagree (22.2%) of respondents were neutral (14.2%) strongly disagree and (9.8%) of respondents strongly disagree. The above information indicates that only 38 per cent of the respondents who confirms that the benefits they received (e.g., pension, medical and housing allowances) suits their needs

Rank: 2

(29.3%) of respondents disagree (25.8%) were neutral (24.4%) agree (11.6%) of respondents strongly disagree and (8.9%) respondents agree. The above information

indicates that only 33 per cent of the respondents confirms that the compensation within the Provincial Government is competitive with that of the marketplace.

Rank: 3

(37.3%) of the respondents disagree (31.6%) agree (16.9%) of respondents were neutral and (9.8%) of respondents strongly disagree. The above information indicates only 36 per cent of the respondents confirms that considering their duties and responsibilities they feel that their pay is fair.

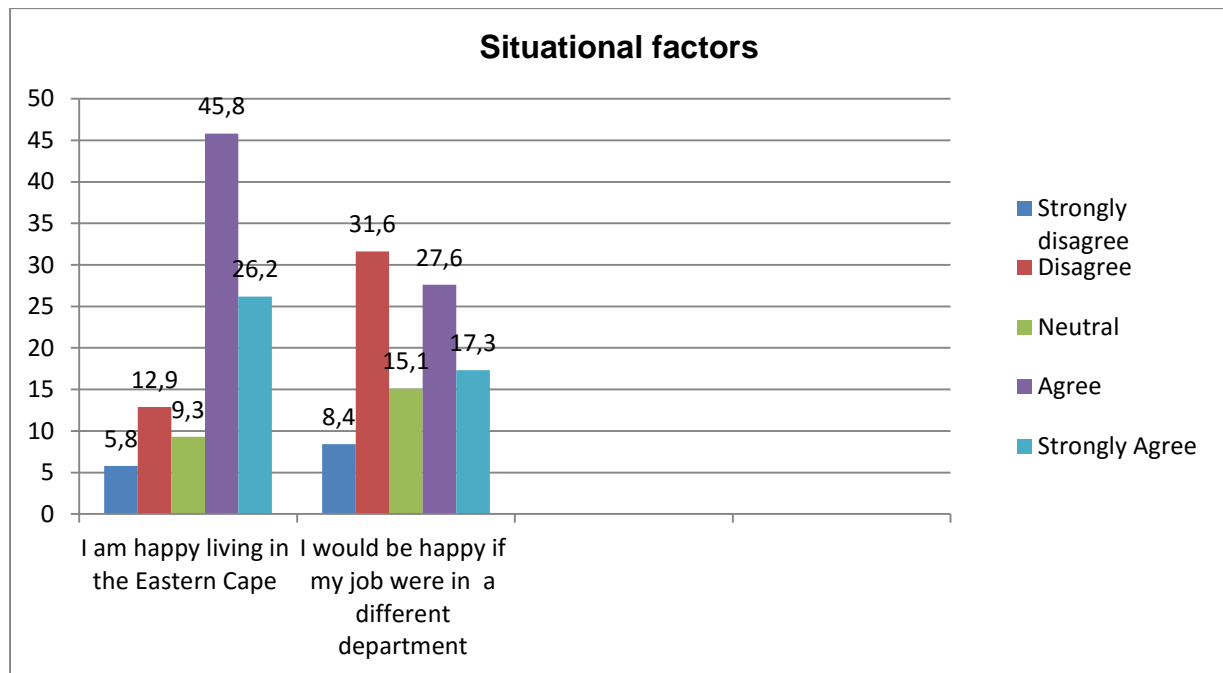
Rank: 4

(30.2%) of the respondents disagree (20.9%) were neutral and (13.8%) strongly disagree. The above information indicates that 35 per cent of the respondents confirms that their total earnings are fair, when compared to employees in similar positions in other organisations

Table 8.19: Situational Factors

Situational factors							
Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
1. I am happy living in the Eastern Cape	5.8	12.9	9.3	45.8	26.2	3.74	1
2. I would be happier in my job if it were in a different department within the Provincial Government.	8.4	31.6	15.1	27.6	17.3	3.14	2

Figure: 8.18: Situational Factors



Rank: 1

(45.8%) of respondents agree (26.2%) strongly agree (12.9%) disagree (5.8%) strongly disagree and (9.3%) of the respondents were neutral. The above information indicates that 72 per cent of the respondents confirms that they are happy living in the Eastern Cape.

Rank: 2

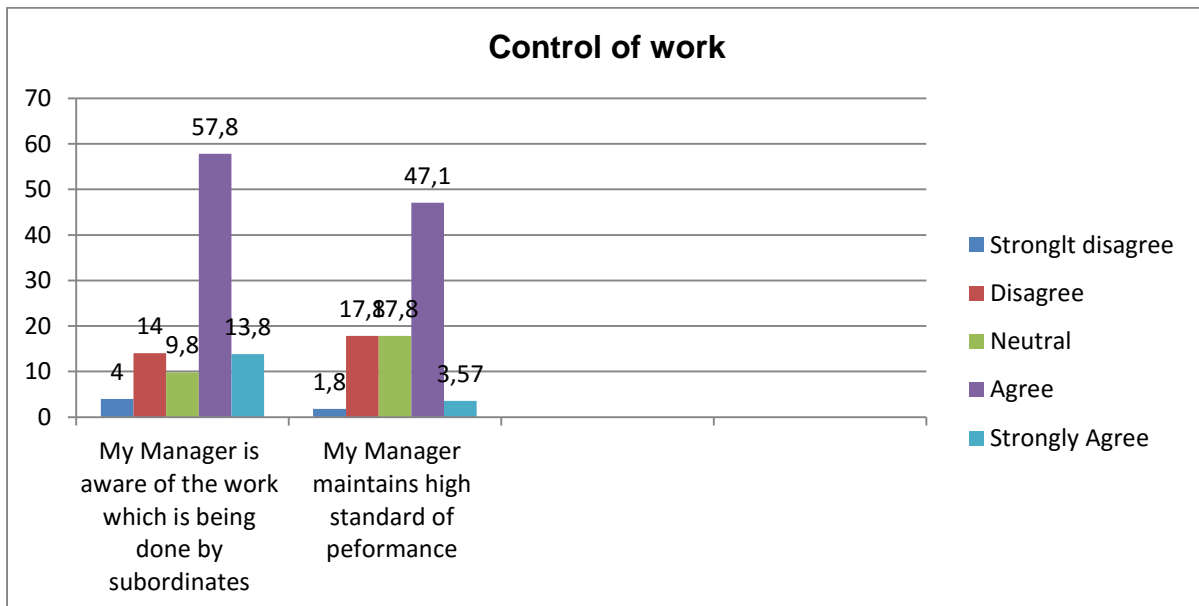
(31.6%) of the respondents disagree (27.6%) agree (17.3%) of respondents strongly agree and (15.1%) of respondents were neutral and (8.4%) of respondents strongly disagree. The above information indicates that 45 per cent of the respondents confirms that they would be happier in their job if it were in a different department within the Provincial Government.

Table 8.20: Leadership

Leadership							
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank
Leadership: Control of work							
1. My manager is aware of the work which is being done by subordinates.	4.0	14.7	9.8	57.8	13.8	3.63	1
2. My manager maintains high standards of performance	1.8	17.8	17.8	47.1	15.6	3.57	2
Leadership: Goal/ Target setting							
1. My manager encourages my team to cooperate and work together.	5.3	11.1	16.0	53.8	13.8	3.60	1
2. My manager makes sure subordinates have clear goals/targets to achieve.	5.3	16.0	17.8	48.0	12.9	3.47	2
Leadership: Problem solving							
1. My manager helps me solve work-related problems.	5.8	16.0	15.6	47.6	15.1	3.50	1
2. My manager helps me discover problems before they worsen.	6.2	16.4	18.7	45.3	13.3	3.43	2
Leadership: Relations with subordinates							
1. My manager has the respect of subordinates	5.8	15.6	15.1	50.7	12.9	3.49	1
2. My manager keeps subordinates informed with relevant information affecting their work	5.8	14.7	20.0	46.7	12.9	3.46	2
3. My manager applies policies and procedures consistently	6.2	18.2	15.6	48.4	11.6	3.41	1
4. My manager is aware of the way subordinates think and feel about their work	6.7	16.4	24.4	37.8	14.7	3.37	2
5. My manager is always fair with subordinates	6.7	18.7	19.6	42.2	12.9	3.36	3

Leadership								
Question	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	rank	
Leadership: Participative management								
1. My manager encourages people a decision	8.0	20.0	13.8	47.1	11.1	3.33	1	
2. My manager encourages subordi to participate in important decisio	6.2	20.0	20.9	41.8	11.1	3.32	2	

Figure: 8.19: Leadership



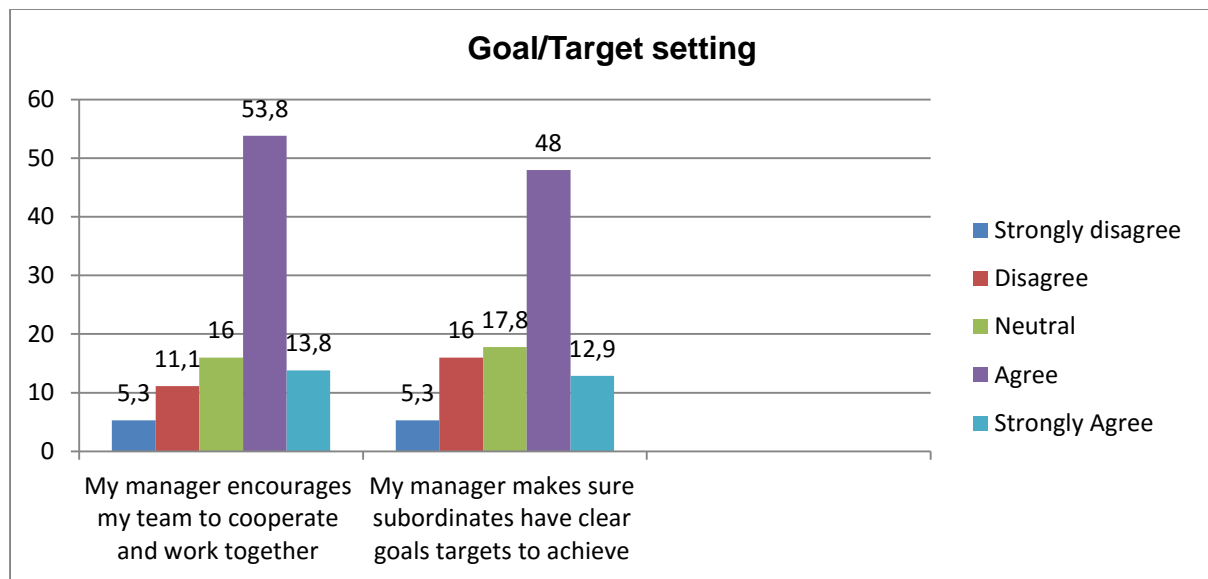
Rank: 1

(57.8%) of respondents agree (9.8%) of respondents were neutral (4%) of respondents strongly disagree (13.8%) of respondents strongly agree and (14%) of respondents disagree. The above information indicates that 72 per cent of the respondents confirms that their managers are aware of the work which is being done by subordinates.

Rank: 2

(47.1%) of the respondents agree (17.8%) of respondents disagree (17.8%) of respondents were neutral and (3.57%) strongly disagree and (1.8%) strongly agree. The above information indicates that 63 per cent of the respondents confirms that confirms their managers maintains high standard of performance.

Figure 8.20: Goal/Target setting



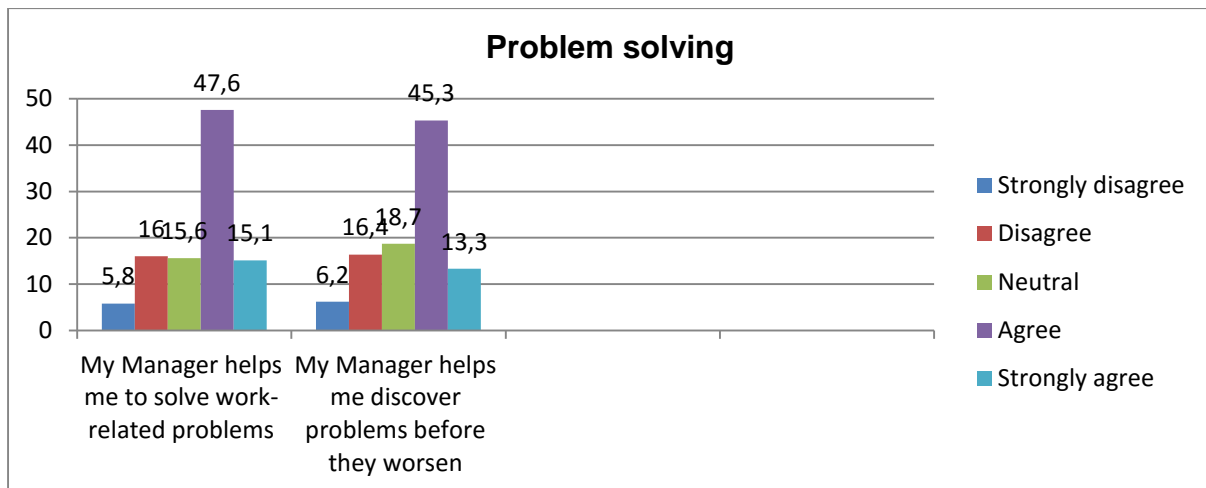
Rank: 1

(53.8%) of respondents agree (16%) were neutral (13.8%) strongly agree (11.1%) of respondents disagree and (5.3%) of respondents strongly agree. The above information indicates that 68 per cent of the respondents confirms that t their managers encourages their team to cooperate and work together.

Rank: 2

(48%) of respondents agree (17.8%) of respondents were neutral (16%) disagree (12.9%) of respondents strongly agree and (5.3%) of respondents strongly disagree. The above information indicates that 61 per cent of the respondents confirm that their manager's make sure that subordinates have clear goal/targets to achieve.

Figure 8.21: Problem Solving



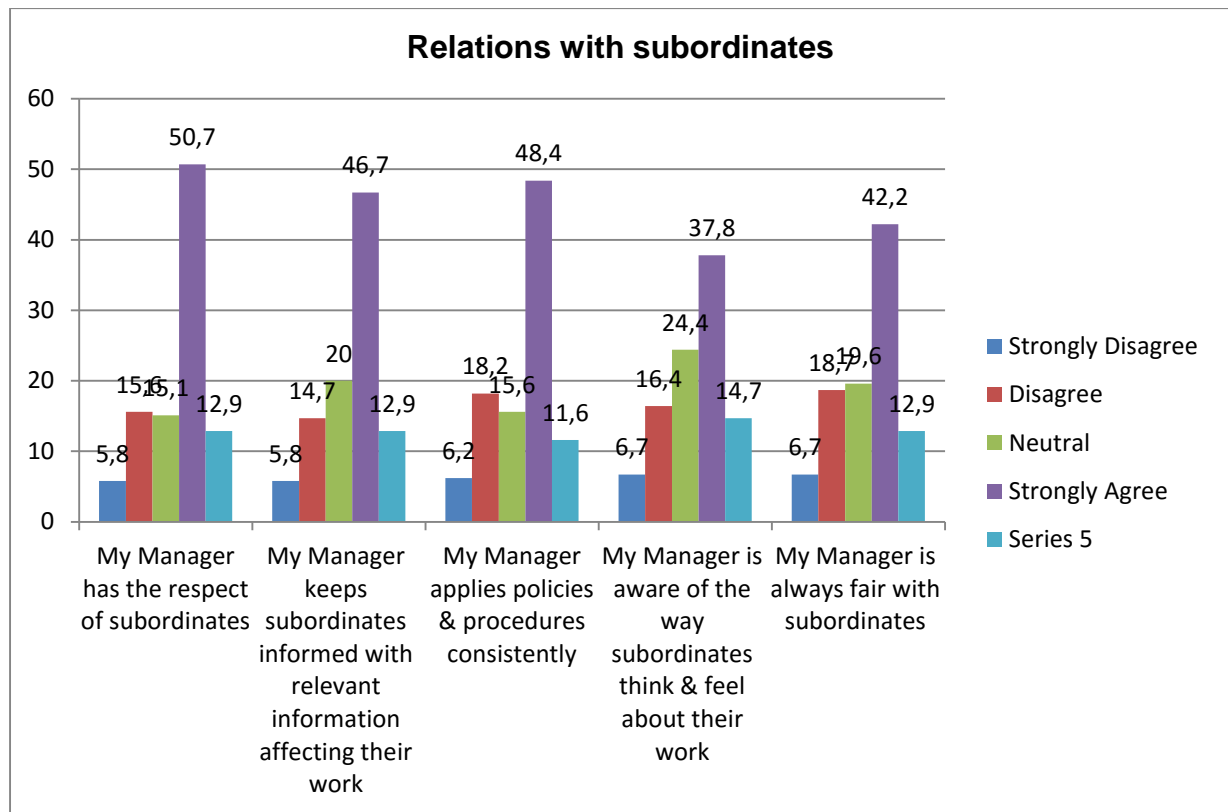
Rank: 1

(47.6%) of respondents agree (16%) disagree (15.6%) of respondents were neutral (15.1%) of respondents strongly agree and (5.8%) of respondents strongly disagree. The above information indicates that 63 per cent of the respondents confirm that their managers help them to solve work related problems.

Rank: 2

(45.3%) of respondents agree (18.7%) of respondents were neutral (16.4%) of respondents disagree (13.3%) strongly disagree and (6.2%) of the respondents strongly disagree. The above information indicates that 59 per cent of the respondents confirm that their managers help them to discover problems before they worsen.

Figure 8.22: Relations with Subordinates



Rank: 1

(50.7%) of respondents agree (15.1%) disagree (15.1%) of respondents were neutral (12.9%) strongly agree and (5.8%) of respondents strongly disagree. The information above indicates that 64 per cent of the respondents confirms that their managers has the respect of subordinates.

Rank: 2

(46.7%) of respondents agree (20%) of respondents were neutral (14.7%) of the respondents disagree (12.9%) strongly agree and (5.8%) of respondents strongly disagree. The above information indicates that 60 per cent of the respondents confirms that their manager's keeps subordinates informed with relevant information affecting their work

Rank: 3

(48.4%) of respondents strongly agree (18.2%) of respondents disagree (15.6%) of respondents were neutral (11.6%) of respondents agree (6.2%) of the respondents

strongly disagree. The above information indicates that 60 per cent of the respondents confirm that their manager s applies policies and procedures consistently.

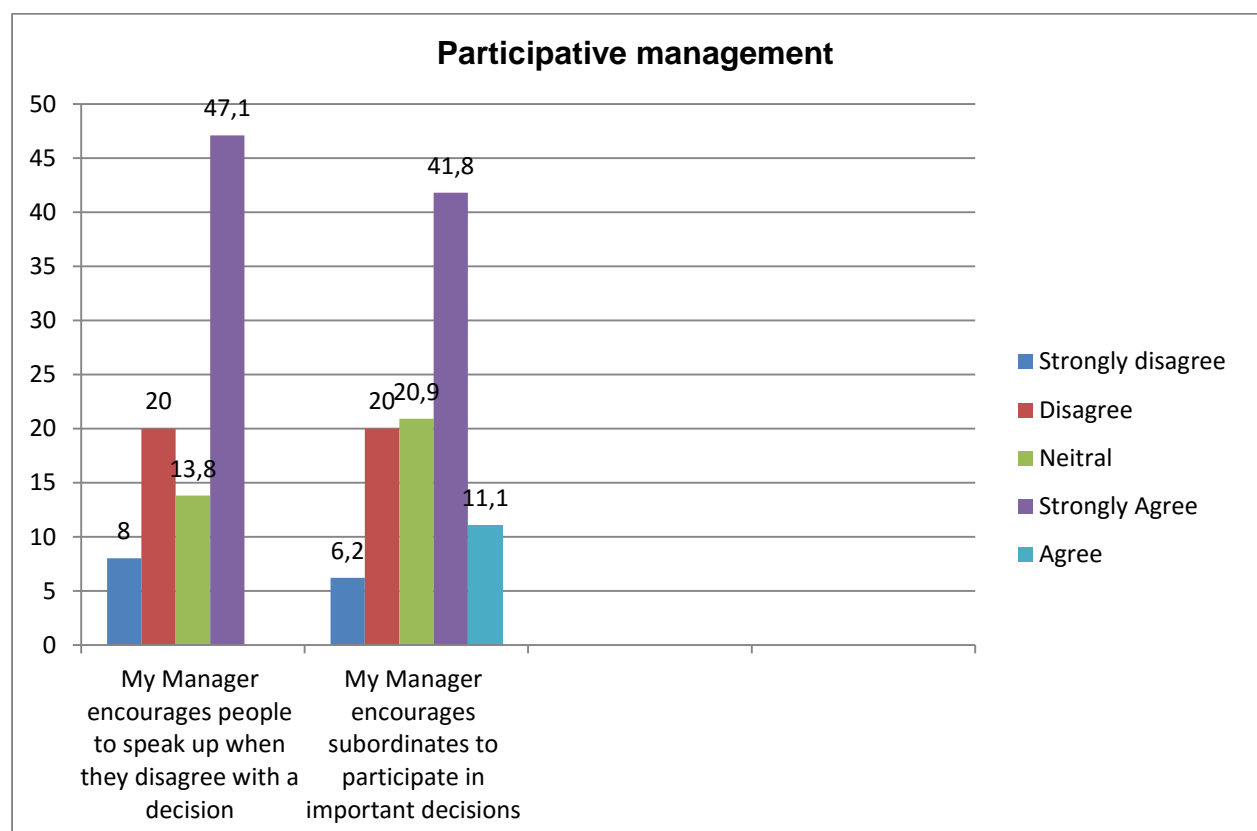
Rank: 4

(37.8%) of respondents strongly agree (24.4%) of respondents were neutral (16.4%) of respondents disagree (14.7%) agree and (6.7%) of respondents strongly disagree. The above information indicates that only 53 per cent of the respondent confirms that their managers are aware of the way subordinates think and feel about their work.

Rank: 5

(42.2%) of the respondents strongly agree (19.6%) of the respondents were neutral (18.7%) of the subordinates disagree (12.9%) agree and (6.7%) of the respondents strongly disagree. The above information indicates that 55 per cent of the respondent confirms that their managers are always fair with their subordinates.

Figure 8.23: Participative Management



Rank: 1

(47.1) of the respondent strongly agree (20%) of the respondents disagree (13.8%) of the respondents were neutral and (8%) of the respondents strongly disagree. The above information indicates that 58 per cent of the respondents confirms that their managers encourages people to speak up when they disagree with a decision.

Rank: 2

(41.8%) of the respondents strongly agree (20.9%) of respondents were neutral (20%) of respondents disagree (11.1%) of respondents agree and (6.2%) of respondents strongly disagree. The above information indicates that 53 per cent of the respondents confirm that their managers encourage subordinates to participate in important decisions.

8.11 FACTORS RESPONDENTS BELIEVED CONTRIBUTED TO HIGH LEVEL OF TURNOVER IN THE ORGANISATION.

In Figures 8.10, 8.13, 8.14 and Figure 8.7. The following questions were asked to the respondents.

- Organisational Commitment, turnover and retention
- Recognition and rewards
- Growth and development opportunities leading to promotion
- Remuneration

The following is the summary of the recommendations:

- To provide an adequate salary
- To provide training and development programmes
- Recognition of employees
- Provide adequate and modern working tools.
- Provide job satisfaction by making sure that the job makes good use of the employee's skills.
- Provide good working environment

The respondents indicated that recognizing employees and provide them with opportunities for growth and good remuneration could enhance self-esteem, improving employees welfare through the provision of social amenities, cultivating good employee relations, creating a caring and supportive management environment and a well-coordinated welfare system were mentioned as one of the most important strategies for retention and motivating employees.

Some of the respondents mentioned that the provision of better salary and financial credit for employees to enable them to acquire property and motor vehicle that will assist to commute between the workplace and their homes.

It was also suggested that material empowerment would enhance their self-esteem and self-confidence which are important components of employee retention and motivation.

Participative management was mentioned as an important managerial strategy for the retention and motivation of employees. Participative management could take the form of frequent decision-making consultations and teamwork.

Other managerial approaches suggested:

- Management by Objectives (MBO)
- A good performance management system
- Job design (job enrichment)
- Good job evaluation system
- Work specialisation

Many respondents mentioned that maintaining fairness and equity in the organisation was an important approach in retaining and motivating employees. It was also emphasised that equity should be observed in the following areas:

- Staff promotion
- Reward systems
- Training and development opportunities
- Disciplinary procedures

The respondents further indicated that to ensure equity in staff promotion, it should be based on merit; the following aspects should be considered:

- Work experience
- Level of education
- Level of training
- Level of performance

A number of the respondents strongly recommended the recognition and reward of the best performing employees as key strategies. The following methods of recognition and rewarding employees' superior performance were suggested.

- Year-end parties and entertainment
- Performance bonuses.
- A good retirement scheme.
- Good measuring and rewarding high performance
- Recognition of professionalism
- Better allowances.

Respondents also strongly recommended efficient and effective management systems as important strategies in employee retention and motivation in the organisation. They mentioned that efficiency and effectiveness in management should result in the timely and prompt payment of salaries, including overtime and other allowances, Quarterly staff reviews and performance appraisals were important. In addition, the respondents suggested that their Department should also provide the following to enhance motivation in the workplace:

- Uniforms and other protective clothing.
- Refresher courses
- IT facilities, such as internet and emails.
- Bursaries and time to conduct research opportunities.
- Regular interaction opportunities between management and employees.
- Guaranteed job security.
- Job stability at all times.

The respondents also mentioned that the placement of employees in the right job was an important strategy in employee retention and motivation. The respondents also indicated that their Department should place employees in jobs that matched their skills and training.

It can be observed that the majority of the strategies mentioned above have already been identified in previous chapters in this study. However, the strategies that have not been captured in the study, will be integrated into the retention and motivational strategy models in Section 8.13.1.1 and 8.13.1.2.

8.11.1 Factors that respondents believed contributed to low levels of motivation in the Public Service

The respondents were asked in Figure 8.17 of the questionnaire to state what they believed contributed to low levels of motivation and the high staff turnover rate in their departments. The poor remuneration and delays in the payment of performances bonuses and allowances topped the list as the main contributors to the low levels of motivation in the government of the Eastern Cape Administration. The lack of inadequate working tools, office space and modern working equipment and nepotism were also mentioned as factors that contributed to the low motivational levels and high turnover rate in the Public Service.

Poor management practices were mentioned as another factor that contributed to the low level of motivation in the Public Service, manifested in the following forms:

- Poor job specification
- Lack of staff meetings
- Overstaffing in one office, or open-plan offices
- Poor employee welfare programmes presented by Wellness Centres
- Poor communication
- Poor management of human resources
- Lack of strategic direction
- Poor recruitment policies
- Rigid bureaucratic procedures
- Arrogant and insensitive management

- Poor employee relations
- Poor daily supervision of employees

It was also mentioned that ineffective training programmes, unqualified managers and poor delegations had also contributed to low levels of motivation. Inequity and unfairness in the Province of Eastern Cape Administration also contributed markedly to employee demotivation. Such inequity was manifested in the following forms:

- The unfair reward system
- Discriminator career management programmes
- Subjective rules and regulations in the workplace
- Poor job evaluation in relation to qualifications
- Provision of the same rewards for higher and poor performances
- Protection of non-performers by management
- Unfairness in promotion criteria and training opportunities
- Clear favouritism in the general handling of employees
- Application of unfair disciplinary procedures

The respondents indicated that the level of motivation among employees had also been affected by the following factors:

- The lack of training and development opportunities
- The lack of career development programmes
- The lack of recognition of employee contributions
- The lack of job stability because of many stoppages by the workforce
- Poor and lack of non-financial allowances for employees
- The shortage of budget for operations
- No advancement in career development

The list of factors cited as contributing to low levels of motivation in the public service included the following: the lack of involvement of employees in the running of the administration; lack of adequate housing closer to the workplace; poor routine work all times; no cross-training opportunities to other jobs; poor handling of employee grievances, that resulted in poor performance by the employees concerned; too much work as a result of understaffing in some departments, because of the slow processed

and red tape in recruitment processes; and bad government politics. A number of respondents added that insufficient funds for training and development; lack of good office facilities and the right equipment to do the job; the abuse of the approval system only given to friends and family members; and the lack of trust of management had also contributed to low levels of motivation in the workplace. Additional factors cited, included:

- Lack of teamwork
- Receiving instructions from more than one manager
- Corrupt managers
- Lack of strategies for motivating employees
- Lack of support from top management

It is generally believed that the factors indicated above contributed significantly to the low levels of motivation of employees in the administration of the Eastern Cape Government, often leading to high turnover rates in many departments.

8.11.2 Analysis of qualitative results to support the strategy model

The final part of the questionnaires contained a section with five key questions on which respondents were invited to comment. These open-ended questions were provided in the event that some issues were not well covered by the questions contained in the structured questionnaires.

An analysis of the qualitative results indicates a high degree of agreement with most of the motivational strategies developed in the study. It was assumed in this study that any strategy recorded below 70 per cent agreement did not enjoy sufficient support to warrant retention in the motivational strategy model. The integrated results from the survey study and qualitative results formed part of the retention and motivational strategies.

The following are the five open-ended questions that were provided at the end of each questionnaire. The information received under these five questions also formed part of the six and nine strategy model. Remuneration, training and development were always on top:

Table 8.21: Five Questions

Respondent Number	Comment
1. In your view, what are the reasons that make staff leave your department?	
66	Not paid well, others are in Level 9, whereas their counterparts are in Level 10.
156	Because they want to grow and they want better posts and departments, some want to be closer to home.
73	Staff leave the Department because they are demotivated. Some were in same position and level for more than five years. Young employees are employed with no experience to supervise these old employees. New employees or young ones change jobs now and again because of the increment.
154	Favouritism, nepotism, cadreship, corruption, hiring of family friends, no clear standards or work policies, non-compliance of staff.
41	Re-engineering process.
202	Lack of growth; no growth opportunities are presented.
153	It's because they are not satisfied with the way they treat them and also they don't get encouragement in their work. Others employ their relatives and friends.
152	In my view, the reasons that make the people leave the department, it's the torture that we find ourselves with: the benefits are not fair and are same with other departments. Therefore, they are cruel in terms of developing others.
80	Sometimes, they get promotion from other departments, so I will say growth.
151	Retirement and some for greener pastures.
186	Better remuneration, as in our department, there are less or no chances to progress to the next level.
01	For promotional reasons.
150	There is no consistence in the firm place employing people with not vast experience, never worked in the hospital, no upward mobility plan that does not motivate the staff, even if there are candidates within, no one look/care about them.
37	Job unsatisfactory, lower levels.
149	Employees are frustrated by the top-down approach of management. Even when employees are consulted, management simply continuous doing things the way they want to do it. Lack of resources!!! Lots and lots of talk and plans - very little action!!!

Respondent Number	Comment
13	Financial increases in salary, growth opportunity, not happy with working conditions, work becomes boring and repetitive, not challenging.
148	I think it's because they get a better offer from other departments.
77	They leave only if they get higher level or higher post.
147	Lack of motivation and direction.
173	No growth.
101	Monetary reasons, accommodation and transport, insufficient resources.
146	Poor service with regard to payment of benefits.
145	Leadership biases and inconsistent decisions which are taken: employees are not treated equally. Favouritism at the expense of skills to perform the job comes first; there is lot of a gaping divide in the provincial administration – starting from department level to the Office of the Premier – controversial appointment to senior positions are seen every day.
86	Management style; tolerance, unfair treatment.
144	The attitudes of top management towards junior employees, lack of development and capacitation of employees, poor or lack of communication. Unavailability of resources affects staff morale, recognition and rewards on work performance, employees treated unfairly, favouritism in job recruitment and selection.
2. If you were allowed to manage the process of retaining staff, what specific strategies would you implement?	
156	Making sure that the employees have enough facilities in order to improve service delivery and to make sure there is good management of subordinate relationships.
66	I would pay them well.
155	For greener pastures and learning to improve their study.
101	Salary increments. Award equal performance bonuses, department hire accommodation for the employees, like flats, and provide essential resources, like transport, computers, scan and other resources.
01	Additional rewards programmes, i.e. weekend breakaways, e-bucks and vouchers.
41	Placing experienced staff; accordingly not only focusing on qualifications.
154	Reward and hire on merit, encourage career prospects according to staff qualification and experiences. Stick to basic core functions

Respondent Number	Comment
	of the Department; eliminate the string chain of approval of documents, because it delays processes to move on faster.
37	By implementing training, workshops, team-building and developments, etc.
153	Check the skills that they have.
73	To encourage those old employees to stay by promoting them to a better position as they have more experience and knowledge to guide the new generations. Offering them some encouragement, offering training to retrain them.
152	Communication skills!!!
173	Consistency and stability.
151	I would give fair incentives to all my employees to reward them for good performance, recognise good effort work done, challenge employees in their fields to explore the intellect and put skills into good use.
186	Training districts to be equipped enough to do their jobs efficiently and effectively as currently they are unable to cope with doing their work without creating a huge backlog, which ends up being done by the provincial staff.
150	Involvement of staff in decision making, upward mobility -not to appoint from outside, communication is very much important.
86	Communication, participation will be the key tools that I can use.
149	Skills and interests audit across the board, matching persons to posts/job descriptions that suit their skills as well as interests, ensuring that creative people who comprise 2-3% of population are utilised in a way that make use of their ability to think innovatively and not frustrate them with repetitive/non-creative work.
202	Training and applauding good performance.
148	To develop skills for each and every employee so that they can excel in their duties and provide excellent services.
147	To remain consistent in applying and implementing laws of the administration.
80	Acknowledge and appreciate them, give recognition and motivate.
146	Consistency for benefits pay-out.
145	I would encourage teamwork, promote flatter reporting structures so as to allow free communication. Develop clear Model of career planning and create space for employees to feel owning and owned by the organisation - simplify communication models between employees and managers. Root out corruption and all sorts of unethical conducts in the provincial administration, such

Respondent Number	Comment
	as jobs for sex, favouritism on appointments versus suitably qualified.
144	Offer employees a path to greater pay, recognition and responsibility. Re-evaluate your benefits package and talent and skills utilisation in the workplace.
3. If you are planning to leave the provincial government within the next year, what is your main reason for leaving?	
156	To get closer to home and to get a better post.
66	To find greener pastures.
155	The main reason is because I will be promoted from this level to another.
73	I would leave the department for better job opportunities as I have been working in the same position for more than five years.
154	I have no intention to leave this Province. The only thing we must get things right just like the Western Cape.
80	Acknowledge and appreciate them, give recognition and motivate.
153	To grow and also get new exposure in other departments.
151	I would leave because I want to grow in my field of work and explore other provinces and departments.
41	Not happy with how things are done by management.
173	To grow, as there is little growth in the department.
150	Nepotism and apply for early pension.
149	Retirement age 65.
186	To move to a finance related section as currently under HRA as I have acquired a finance qualification seven years ago; otherwise I love working in for my department.
148	For a better remuneration.
26	The desire to grow career wise as well as to relocate and start a new independent life out of the Eastern Cape, or rather within the Eastern Cape, just out of Bhisho.
147	Exhaustion and lack of direction.
51	Implementation of retention and attraction strategy.
146	No prospect of building career.
86	Nepotism is the main reason to leave provincial government. Provincial government is about whom you know not what you know; if you know someone you will be happy.

Respondent Number	Comment
145	For the sake of growth and development, I have acquired many administrative skills, but felt that they are underutilised. Also there is no clear way that the current situation will change where people with skills will ever be recognised and utilised as such unless they become “big” brothers with their supervisors.
101	It may be career development, upward mobility, OSD for professionals and subsidised vehicles, discriminating criteria.
144	My career is stagnated within the public sector. The Provincial Government encourages people to study and develop themselves in their areas of operations, but at the end of the day they recruit outside the province instead of investing and utilising the skills and knowledge from inside or within the province.
4. What is the single most important factor that makes you stay in your job?	
156	Salary.
66	Satisfaction.
155	It's because I am happy with what I do.
73	The job I am doing is the one I chose as a career at tertiary level. I love my job, I won't leave it no matter what are the challenges I encounter.
154	It is to plough back here at home.
86	I love helping someone
151	Good working relations with my boss.
200	Feed my family.
150	No I am not going to stay.
186	Helping people who are employed by the department. A certain number being educators especially regarding the PILIR applications.
149	Financial benefit is the only reason.
80	Passion for training, giving people more experience.
44	My responsibility and age.
148	It's because I love what I do and the challenges that occur sometimes make me strong and more focused on my duties.
13	High cost of living, remuneration factor, HR person by trade and understand the challenges within the sector.
26	The very same reason that would make me want to leave: growth. I believe that there is a lot for me to still learn in my current job, there is a lot that I still need to explore and gain knowledge
01	Job satisfaction

Respondent Number	Comment
146	Protection of my investments
101	Resources and good salary
32	I feel that my contribution is valued and appreciated, colleagues see me as a reliable resource.
145	Only that I will be serving the poorest of the poor and ploughing back to our communities. My area supports improvement in terms of organisational functioning as well as improving functional systems, which directly impacts on improving how we provide services to people. That is one thing I love the most, despite all the other negative elements.
77	I am learning a lot of things on persal.
144	The fact that with government we have sourced jobs than going to the private sector.
173	To earn a salary.
06	To get more experience and exposure.
5. What is the single most important factor that attracts people to jobs in the Provincial Government?	
66	Elevation of levels/ promotions.
154	Corruption, nepotism and favouritism.
73	To advance wealth in order to improve standard of living by earning income.
153	Benefits.
86	It is all about money, nothing else.
151	I want to make a positive contribution to the public service and ensure that public services standards are met.
101	Not sure.
149	Financial benefits.
148	It's the benefits that most employees received when they are still at work and during their retirement stage.
41	Job security, because in Provincial Government you only vacate when you are happy to do so.
13	Remuneration factor, stability and good benefits.
80	Stability and security.
147	Public Service has security in jobs.
106	They like to be part of the provincial government and contribute to change things how they are done to satisfy the needs of the provincial residents.

Respondent Number	Comment
146	To be secure.
06	Unemployment rate.
202	Benefits.
173	Job security.
145	It's not a question of being attracted the way I see it, but they are forced to take a job because there is minimal competition in the Eastern Cape job market. They say in the absence of the best the rest becomes the best.
144	Job security.

8.12 THEORIES ON MOTIVATION OF STAFF

In this study, assumptions were made that the strategies to be created were meant for employees who were self-motivated and had a positive attitude towards their departments. To devise effective strategies, theories regarding what motivates these employees must be considered. These theories will help in assessing at what level of motivation the employees are and how this information could be used to adjust the strategies accordingly.

Employee satisfaction and retention have always been important for physicians. Satisfied employees tend to be more productive, creative and committed to their employers. Departments who can create work environments that attract, motivate and retain hard-working individuals will be better positioned to succeed in a service delivery environment that demands quality and cost efficient service.

The following four theories of motivation were chosen by the authors as being more relative to the study than numerous other theories. The theories to be discussed, are Maslow's hierarchy of needs; Herzberg's Motivation-Hygiene Theory; Vroom's Expectancy Theory; and the Expectancy Theory of Porter and Lawler.

8.12.1 Maslow's Hierarchy of needs

In his theory, Maslow classified human needs into five categories that ascend in a definite order. Until the more basic needs are adequately fulfilled, a person will not strive to meet higher needs. Maslow's well-known hierarchy is composed of 1)

Physiological needs; 2) Safety and Security needs; 3) Belonging and love needs; 4) Esteem needs; and (5) Self-Actualization needs (Mathis & Jackson, 2003:69).

An assumption often made by those using Maslow's hierarchy is that workers in modern, technologically advanced societies have basically satisfied their physiological, safety and belongings needs. Therefore, they will be motivated by the needs for self-esteem and the esteem of others, and then by self-actualisation needs. Consequently, conditions to satisfy these needs should be present at work to enable the job itself to be meaningful and motivating (Mathis & Jackson, 2003:69-70).

Furthermore, according to Myers (1991:141), the hierarchy of needs theory of Maslow helps to explain the consequences of increasing affluence. Primeval man's efforts were directed primarily towards survival needs, safety, food and shelter, leaving little time or energy for preoccupation with latent higher order needs. If survival needs are satisfied, people became sensitised to social and status needs. Finally, as a result of the affluence of recent decades, these lower-order or maintenance needs were satisfied to the point that people became ready to realise their potential in terms of growth, achievement, responsibility and recognition (Myers, 1991:141).

Myers (1991:292) also defines human effectiveness as a function of matching man's opportunities with the appropriate position of his hierarchy of needs, enabling humankind to progress upwards (Myers, 1991:292).

Maslow contends that people who grow up in an environment that does satisfy their basic needs often suffer from psychological complaints in later life. This led him to believe that employees whose needs at work are not met, will not function as effectively as they could and that managers should therefore understand the needs that are important to their employees. Maslow summarised human needs into five basic groups (Figure 8.24 illustrates these five basic groups) (Schultz, Bagraim, Potgieter, Viedge and Wener, 2005:54).

Figure 8.24: Maslow's Hierarchy of Needs



Source: Schultz et al. 2005:55)

8.12.2 Frederick Herzberg's Motivation Theory

De Cenzo and Robbins (1996:299) state that intrinsic job factors motivate employees, while extrinsic factors only placate them (De Cenzo & Robbins, 1996:299).

Janka, Luke and Morrison (2003:16) contend that intrinsic factors or 'motivations' can lead to job satisfaction, but do not produce dissatisfaction when they are inadequate. They further mention that intrinsic factors include achievement, recognition, responsibility, growth, advancement and the work itself. Dissatisfaction may be reduced by increasing the extrinsic factors, while satisfaction may be increased by increasing the intrinsic factors (Janka, Luke and Morrison, 2003:16).

The following chart graphically illustrates Herzberg's theory, comparing it to that of Maslow:

Figure 8.25: Comparison between Maslow and Herzberg

Maslow and Herzberg Compared	
MASLOW	HERZBERG
Self-realization and fulfillment	Work itself Achievement Possibility of growth Responsibility
Esteem and status	Advancement Recognition Status
Belonging and social activity	Interpersonal relations supervision peers subordinates
Safety and security	Supervision-technical Company policy and administration Job security Working conditions Salary Personal life
Physiological needs	

Source: Janka, Luke and Morrison (2003:17)

Janka, Luke and Morrison (2003:16) contend that deep and far-reaching organisational changes are required to reach a 'critical mass' that will improve both productivity and job satisfaction. They also believe that motivation is a key factor in making both these improvements. The researcher has categorised workers into four groups, namely dissatisfied and weakly motivated; dissatisfied and highly motivated; satisfied and weakly motivated; and satisfied and highly motivated. Based on the examples above, satisfaction and productivity on the job can best be achieved by increasing the size of the last of these groups (Janka, Luke and Morrison, 2003:16).

Furthermore, Janka, Luke and Morrison (2003:16) contend that the primary factor in achieving high satisfaction and motivation is recognition and reward (financial or psychological) for effective performance. They further argue that the critical ingredients of organisations that achieve high productivity and satisfaction are the following:

- Pay must be linked to performance and productivity.
- Workers and work must be matched to enable workers to meet their needs and expectations for successful work.
- Opportunities must be available to workers to use their abilities fully to make a meaningful contribution and to have challenging and diversified duties.
- Opportunities must exist for workers at all levels to give input into decisions that affect their working lives.
- Appropriate resources must be provided to facilitate performance.
- Adequate 'hygiene' factors must exist, such as pay, benefits, working conditions, job security, employee relations and competent supervision (Janka, Luke and Morrison, 2003:16).

Table 8.22: Summary of Motivation

Investigators	Assumption/Findings	Indication for Motivation
Maslow	Needs are seen as a hierarchy, from physiological needs to self-actualization	Striving to achieve the next level on hierarchy is a motivating factor
Herzberg	Jobs have extrinsic factors (safety, work conditions, etc.)	Job dissatisfaction can be decreased by increasing extrinsic factors
	Jobs have intrinsic factors (achievement, growth, etc.)	Satisfaction can be increased by increasing intrinsic factors

Source: Janka, Luke and Morrison (2003:16-20)

Thomson (2002:78-79) has identified a number of factors that affect the way in which people feel about their work. These include the following:

- Achievement
- Recognition from others
- The work itself
- Responsibility
- Opportunities for advancement
- Organisational policy and administration
- Supervision
- Salary
- Interpersonal relations
- Working conditions

Thomson further mentions that the factors that make people feel satisfied with their job and motivate them to work, include high levels of achievement, recognition, opportunities for advancement and responsibility. He also emphasises that the content of the work itself is very important. Factors that affect employees adversely and lead them to feel dissatisfied with the work they are doing include organisational policy and administration, supervision, salary, interpersonal relations and working conditions; therefore, if all or any of these are considered by individuals to be of a low standard,

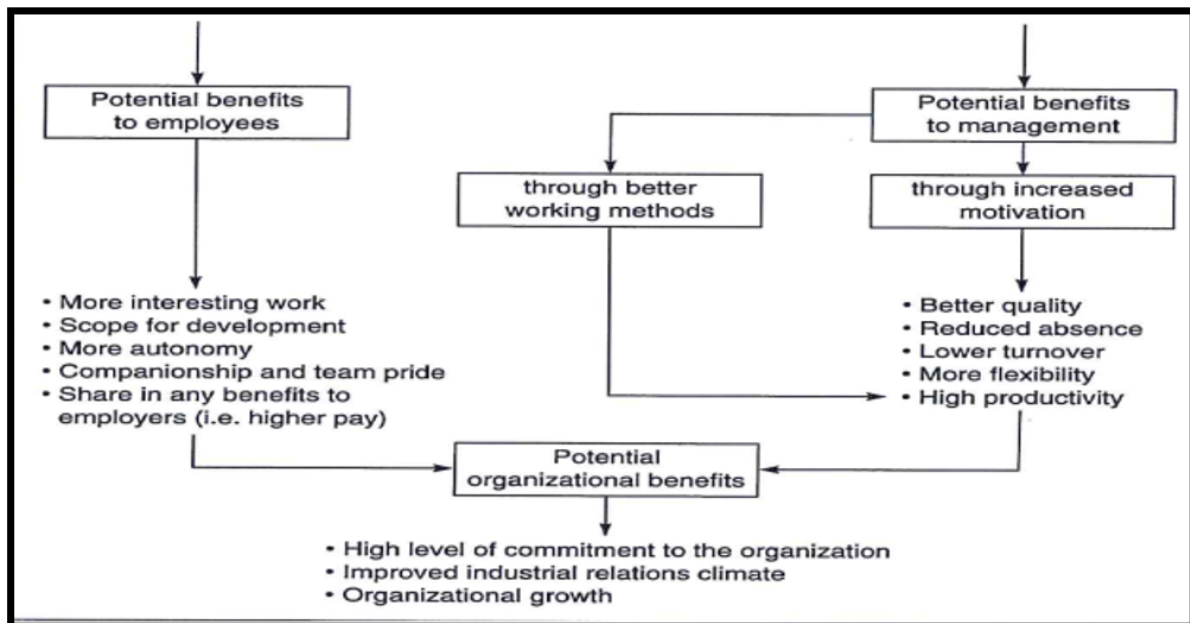
employees will feel dissatisfied with what they are doing. The common symptoms of dissatisfaction at work include persistent absenteeism, below-average performance and real or imagined illness (Thomson, 2002:78-79).

Janka, Luke and Morrison (2003:2) state that the individuals doing the job are keys to organisational productivity, efficiency and quality. They further suggest that increased human effectiveness may be attained by increasing job satisfaction, redesigning jobs, increasing the quality of working life, improving morale, creating new incentives, or any number of responses currently being tested in cities and countries across the country (Janka, Luke and Morrison, 2003:2).

8.12.3 Vroom's Expectancy Theory

Van Dyk *et al.* (2004:318-319) contend that a person will never exert high effort unless she/he believes that there is a reasonable probability that the effort will lead to the attainment of an organisational goal and that the attainment thereof will become an instrument through which the person will attain his/her own personal goals. They further mention that if an employee desires a promotion and believes that, through meeting certain organisational criteria, she/he will get such promotion, the person will usually put in a greater effort. The opposite also holds true: if a person believes that no amount of hard work will lead to promotion, she/he will put in less or no effort (Van Dyk *et al.*, 2004:318-319).

Figure 8.26: Vroom's Expectancy Model



Source: Van Dyk et al. (2004:318)

Furthermore, Van Dyk *et al.* (2004:318-319) describe the three key concepts of Vroom's theory, namely valence, instrumentality and expectancy. Valence emphasises how important the attractiveness of a specific outcome to an individual is. It is the anticipated satisfaction to be gained from attaining a goal or object. Van Dyk *et al.* (2004:318) further argue that it differs from value, in the sense that a person might desire a specific outcome, and when it is obtained, the person derives less satisfaction from it (Van Dyk *et al.*, 2004:318).

Therefore, from the examples above, it is clear that valence is the anticipated satisfaction, and values the actual satisfaction (Van Dyk *et al.*, 2004:318).

Vroom further refers to expectancy as an individual's belief that a certain level of effort will lead to a certain level of performance (Van Dyk, *et al.*, 2004:318).

To Van Dyk *et al.* (2004:318), this represents the effort performance expectation. If an individual has zero expectancy that effort will lead to performance, the person will not put in a remarkable effort. The authors further mention that if a reward is offered for a score of 80 percent or more in a test, and a student desires the reward (positive valence), but believes that it is an unrealistic goal that cannot be attained, he/she will also not put in a big effort (Van Dyk *et al.*, 2004:318).

According to Van Dyk *et al.* (2004:319), if a student expects that she/he will be successful at achieving the desired level of performance, she/he will put in a bigger effort to perform.

The following factors influence a person's expectancy perceptions:

- Self-esteem
- Self-efficacy
- Previous success as the task or a similar task
- Support from others, such as supervisors, subordinates and colleagues
- Access to relevant information
- Sufficient material and equipment (Van Dyk *et al.*, 2004:319).

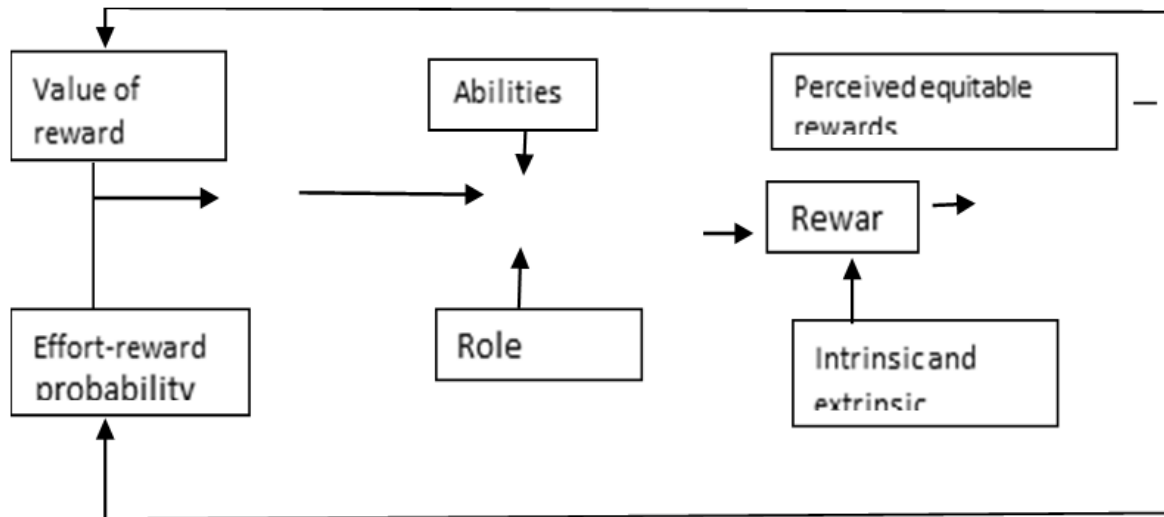
Instrumentality refers to the perception that performance will lead to the desired outcome (Van Dyk *et al.*, 2004:319); in other words, performance is instrumental when it leads to a specific outcome or outcomes. The first level outcomes are performance related and the second level outcomes are need-related (Van Dyk *et al.*, 2004:319).

Buelens, Sinding, Waldstrom, Kreitner and Kinicki (2011:244) contend that many organisations make use of alternative bonuses, like extra holiday time, which is the most popular employee incentive after cash (Buelens *et al.*, 2011:244).

De Cenzo and Robbins (1996:299) further propose that motivation is a function of valence (value) of the effort-performance and the performance-reward relationships. (De Cenzo and Robbins, 1996:299).

8.12.4 Expectancy theory of Porter and Lawler's motivation Model

Porter and Lawler have extended Vroom's theory into an Expectancy Model of Motivation (Van Dyk *et al.*, 2004:319).



Source: Van Dyk et al. (2004:319).

Figure 8.27: Porter and Lawler's Motivation Model

The figure above attempted to:

- identify the origins of people's valences and expectancies;
- link effort with performance and job satisfaction;
- identify factors other than effort, that influence.

Furthermore, Van Dyk et al. (2004:319) describe the value of reward as similar to the concept of valence in Vroom's theory. They further mention that people desire a combination of outcome or reward for what they put into their job (Van Dyk et al., 2004:320). The content theories of motivation can be used to further explore these values.

Van Dyk et al. (2004:320) further contend that satisfaction is influenced by both intrinsic and extrinsic rewards. Intrinsic rewards are self-granted and consist of intangible rewards, such as a sense of accomplishment and achievement.

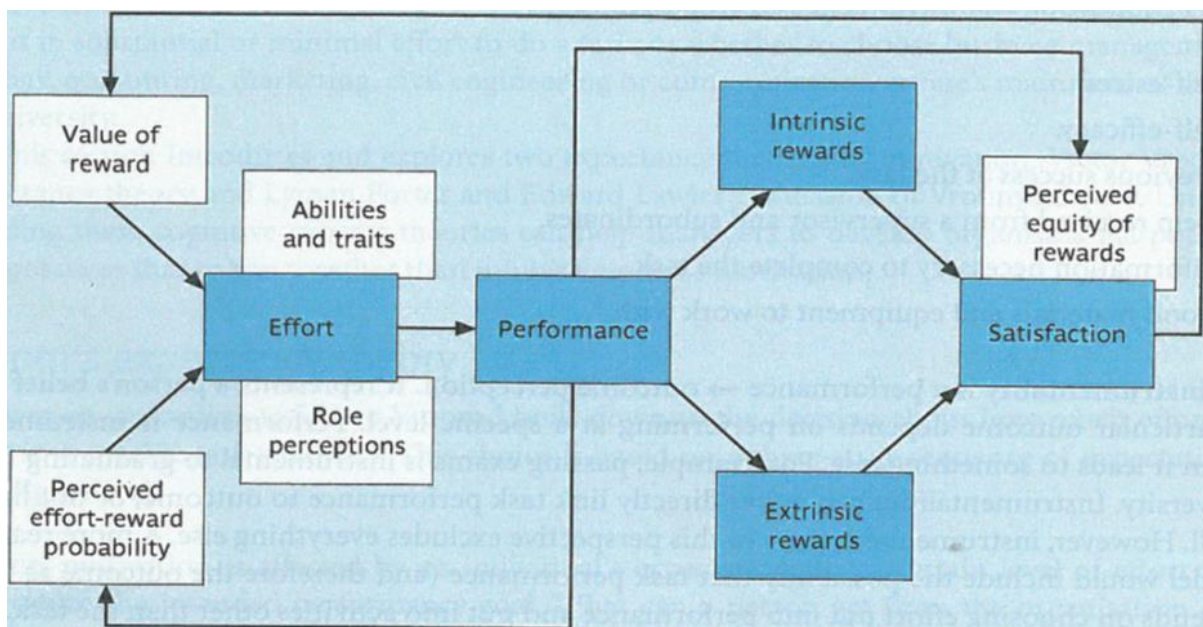
The authors further explain that extrinsic rewards include bonuses, public recognition, awards and acceptance. Job satisfaction is influenced by an employee's perception of the equity of the rewards given (Van Dyk et al., 2004:320).

The authors also state that employees expect rewards that are not only equitable to their own inputs, but also equitable to the rewards that other employees experience.

They direct their behaviour towards creating equity. It is also important that some congruency exists between intrinsic and extrinsic rewards (Van Dyk *et al.*, 2004:320).

Buelens *et al.* (2011:244-245) developed an Expectancy Model of Motivation that extended Vroom's work. This Model attempted to 1) identify the source of people's valences and expectancies; and 2) link effort with performance and job satisfaction. Performance is determined by more than effort. Figure 8.28 indicates that the relationship between effort and performance also depends on an employee's abilities and traits and how the employee perceives his (or her) role (Buelens *et al.*, 2011:244-245).

Figure 8.28: Porter and Lawler's Expectancy Model



Source: Buelens et al. (2011:244).

According to Buelens *et al.* (2011:245), the expectancy theory can be useful for creating a motivating work environment in which people like to work and achieve high performance. In most cases, employees want to feel productive, involved, useful and competent (Buelens *et al.*, 2001:245).

Buelens *et al.* (2011:245) also contend that organisations can enhance the expectancies of their employees by helping them to accomplish their performance goals. They can do this by providing support and coaching, and by increasing employees' self-efficacy. This evidence also suggests that organisations have to

provide employees with work that is reasonably challenging, in accordance with the employees' self-confidence, abilities, education, training, skills and experience (Buelens *et al.*, 2011:245).

This theory can be useful for creating a motivating working environment in which people enjoy working and achieve high performance. It is clear that organisations cannot motivate their employees directly; organisations can only try to establish a working environment that will lead to self-motivation (Buelens *et al.*, 2011:245).

8.13 STRATEGIES FOR STAFF RETENTION

8.13.1 Motivation Strategy

To some extent, a high level of employee motivation is attained by effective management practices. To develop motivated employees, a manager must treat people as individuals, empower workers, provide an effective reward system, redesign jobs, and create a flexible workplace. You need to recognize the difference between your impressions of what you think is important to employees and what they think is important to them. It is important to meet each of your employees to discuss what they think are the most important motivational factors to them. A manager needs to take some time to put in writing how he will modify his approaches in respect of each employee to ensure that his/her motivational factors are being met.

Below are strategies of motivation that were chosen by the author as relevant to this study.

8.13.2 Motivating the workforce

Employees often feel a strong sense of fulfilment from realising that they are making a difference. This realisation often requires clear communication about organisational goals and employee progress towards those goals, and celebration when these goals are met.

Robbins (2003:155-156) defines motivation as the process that accounts for an individual's intensity, direction and persistence of effort towards attaining a goal. The

persistence dimension is a measure of how long a person can maintain his efforts (Robbins, 2003:155-156).

Van Dyk, *et al.* (2004:310) further contend that a motivated person is always aware of the fact that a specific goal must be achieved, and continuously directs his or her efforts at achieving that goal, even in the face of adversity (Van Dyk *et al.*, 2004:310).

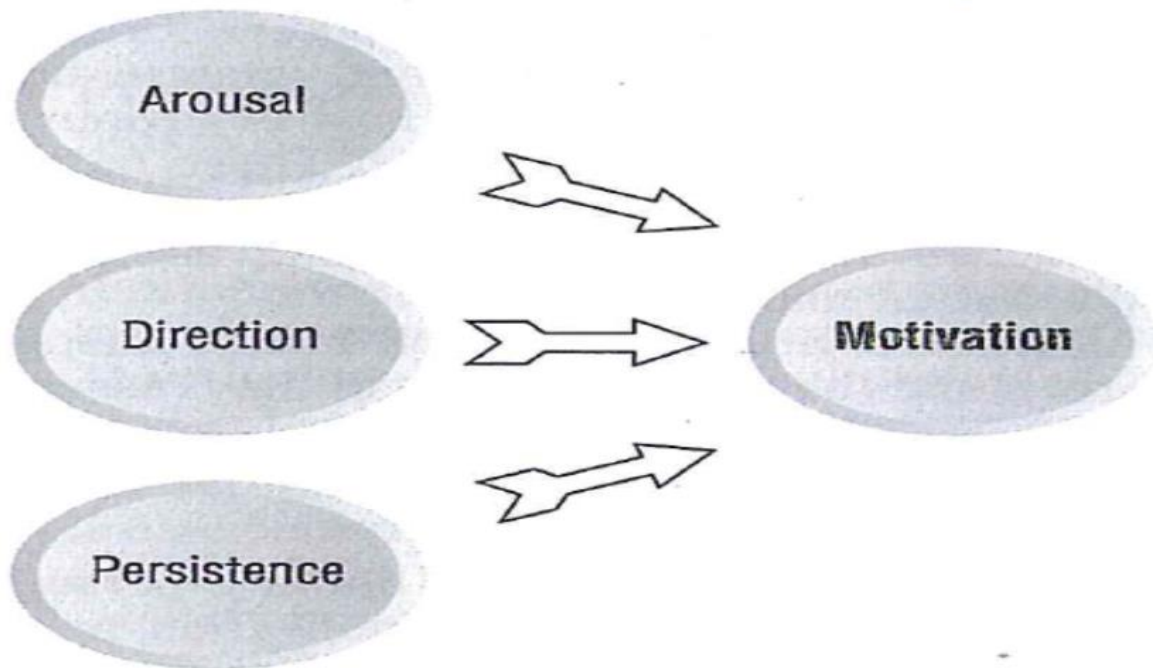
Robbins (2001:191) also contends that the best way to motivate the workforce is to use multiple methods and recognise both individual and group accomplishment. A manager must treat employees as individuals, empower workers, provide an effective reward system, design jobs and create a flexible workforce (Robbins, 2001:191).

8.13.3 Motivation and Job Satisfaction

Schultz *et al.* (2005:52-53) describe motivation as the force within us that arouses, directs and sustains our behaviour.

Your behaviour in a new job may be guided by your desire to and interest in making a good impression, which will arouse you to want to engage in behaviour that you think will result in creating a good impression. Motivation is further defined in the following Figure 8.29 (Schultz *et al.*, 2005:52-53):

Figure 8.29: Definition of Motivation



Source: Schultz et al. (2005:53)

Job satisfaction refers to a person's general attitude toward his or her job. Job satisfaction is influenced by many factors. If a person is satisfied with most of the factors that he or she considers relevant, the person will experience job satisfaction (Schultz *et al.*, 2005:53).

Motivation gives employees positive job satisfaction, arising from the intrinsic conditions of the actual job, such as recognition, achievement or personal growth. All of these factors would be challenging work opportunities for personal growth and responsibility (Schultz *et al.*, 2005:60).

Lau and Shani (1992:192) contend that employees expect the hygiene factor to be in their favour. Most employees today expect their salaries to be market related and to work in a safe and comfortable environment, with ventilated and air-conditioned offices and good working tools, but this will not guarantee that they will be happy or more productive – this will only ensure that they will not be unhappy with their workplace (Lau & Shani, 1992:192).

Therefore, from the examples above, it is clear that those factors that lead to job dissatisfaction should be eliminated by the employer. More focus should be placed on

those factors associated with the work itself, such as giving employees different or challenging work, promotional opportunities, personal growth and responsibility (Schultz *et al.*, 2003:60).

8.13.4 Job Design

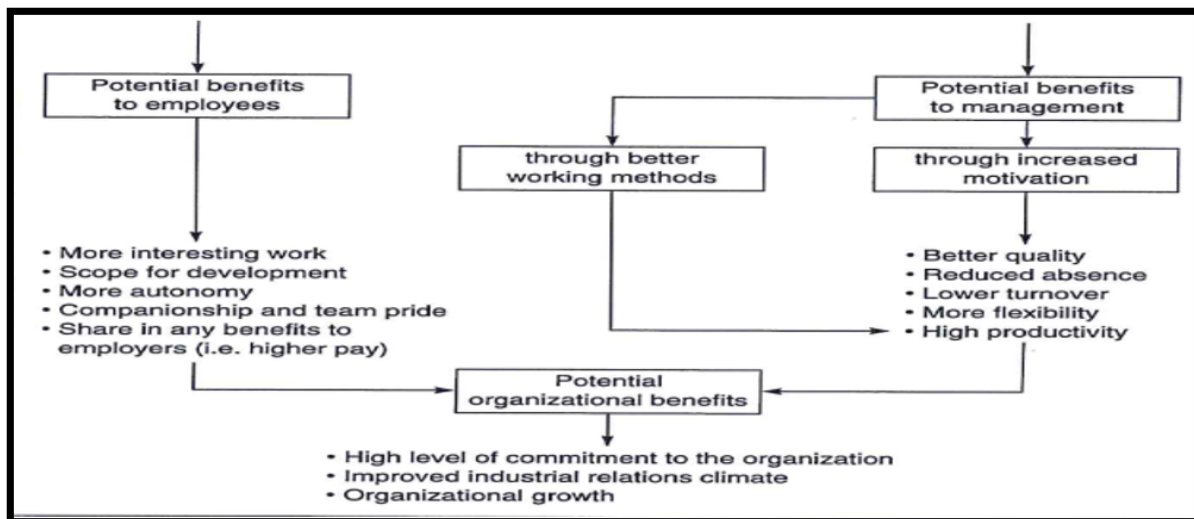
Swanepoel *et al.* (2003:196-197) define job design as the reshaping of the way people (employees) have to work: the changing of job design patterns on a large scale. It aims at broadening the range of the tasks undertaken by a particular job holder, whilst not tampering with the complexity and level of difficulty of the activities involved (Swanepoel *et al.*, 2003:196-197).

Mathis and Jackson (2003:171) further state that job design has an influence on employee motivation, job satisfaction and commitment to organisations, all of which have a significant impact on the efficiency of these organisations. They further mention that job design is currently receiving greater attention, for the following three reasons:

- Job design can influence performance in certain jobs, especially those where employee motivation can make a substantial difference. Lower costs through reduced turnover and absenteeism also are related to good job design.
- Job design can affect physical and mental health. Problems such as hearing loss, backache and leg pain sometime can be traced directly to job design, as can stress, high blood pressure and heart disease (Mathis & Jackson, 2003:171).

According to Thomson (2002:83-84), when employees are satisfied with the work they are doing and with the work environment, they identify more closely with the employing organisation. This creates a number of advantages to the organisation, to the manager and to the individual employee, as set out in the Figure **8.30**.

Figure: 8.30: Improving job design and work organisation to meet Individual Needs



Source: Thomson (2002:84).

The author furthermore emphasises that employees who are committed to the organisation are likely to work harder towards organisational goals, seize opportunities and new ideas, and act as good public relations officers for their employer. Also, there is less chance of industrial unrest, since employees have little dissatisfaction; the organisation as a whole can expect to survive and grow (Thomson, 2002:83-84).

Bennett (1997:121-122) describes the process of job design as deciding which tasks and responsibilities must be undertaken by particular employees, and the methods, systems and procedures for completing work. It concerns patterns of accountability and authority, spans of control and interpersonal relations between colleagues. He also mentions that the purpose of job design is to stimulate worker interest and involvement, thereby motivating the workers to greater efforts (Bennett, 1997:121-122).

Van Dyk *et al.* (2004:379) state that job design is creating opportunities for employees to gain more control in their jobs, make more decisions themselves, solve problems by themselves and increase job depth (Van Dyk *et al.*, 2004:379).

8.13.5 Job Enlargement

Mathis and Jackson (2003:172) describe job enlargement as a process that involves broadening the scope of a job by expanding the number of different tasks to be

performed. Job enlargement increases the variety of tasks a job includes, but it does not increase the quality or the challenge of those tasks. It may reduce some of the monotony, and as an employee's boredom decreases, his work quality may increase (Mathis & Jackson, 2003:172).

Swanepoel *et al.* (2003:197) have identified another form of work reorganisation, where job depth remains unchanged, but an increase in job range is included. This is the practice of expanding the job description of workers to include an increased number of different tasks and duties that are not more complex, but remain very basic and simple (Swanepoel *et al.*, 2003:197).

Robbins (2003:437) further confirms that job enlargement increases the number and variety of tasks that an individual performs, resulting in jobs with more diversity (Robbins, 2003:437).

Van Dyk *et al.* (2004:379) state that job enlargement strategies are directed at increasing the number of tasks that an employee performs, but that effective job enlargement involves more than simply increasing task variety. It should increase satisfaction and product quality and decrease absenteeism and turnover (Van Dyk *et al.*, 2004:379).

Bennett (1997:122) contends that job enlargement means increasing the scope of a job through extending the range of duties and responsibilities it involves. It seeks to motivate workers through reversing the process of specialisation (Bennett, 1997:122).

8.13.6 Job Rotation

Swanepoel *et al.* (2003:197) have reviewed the practice of rotating workers from job to job without disturbing work flow, whilst the different jobs are still narrowly defined. Since jobs include different tasks and activities, job holders are exposed to a greater variety of job content, which should lead to a reduction in boredom, fatigue and errors, thus improving job satisfaction and, hopefully, productivity. Rather than redesigning a particular job's content, work is restructured in such a way that workers move from job to job. This practice assigns people to different tasks, or tasks to different people on a temporary basis. The idea is to add variety and to expose people to the dependence that one job has on other jobs. Job rotation can encourage higher levels of

contributions and renew interest and enthusiasm. The organisation benefits from a cross-trained workforce (Swanepoel *et al.*, 2003:197).

Mathis and Jackson (2003:172) have identified one advantage of job rotation as that it develops an employee's capacity to perform several different jobs (Mathis & Jackson, 2003:172).

Thomson (2002:89) also confirms that job rotation is one way of increasing skills variety, as well as introducing new employees to a wider area than their own job. It is a form of internal job transfer and can reduce the boredom and monotony associated with repetitive tasks (Thomson, 2002:172).

8.13.7 Job Enrichment

Bennett (1997:122) states that job enrichment involves the allocation of more interesting, challenging and perhaps difficult duties to workers in order to stimulate their sense of participation and concern for the achievement of objectives (Bennett, 1997:122).

Moorhead and Griffin (2001:172) contend that job enrichment relies on a vertical job load, not only adding more tasks to a job, as a horizontal loading, but giving the employees more control over those tasks. This may encourage them to seek out better and more efficient ways to accomplish their task, leading to a potential increase in productivity (Moorhead & Griffin, 2001:172).

Lau and Shani (1992:322) state that job enrichment seeks to improve both task efficiency and human satisfaction by means of building into people's job, quite specifically, greater scope for personal achievement and its recognition, more challenging and responsible work and more opportunity for individual advancement and growth (Lau & Shani, 1992:322).

Job enrichment therefore focuses on increasing job depth by giving employees more discretion, autonomy, responsibility and control over their work (Swanepoel *et al.*, 2003:198).

The employees make their own decisions and form mutually supportive relationships with one another. Each employee could succeed or fail, but each controls his/her own performance and fate (Myers, 1991:149).

The main objective of this research study was to develop retention strategies that would be used in improving the level of motivation of public sector employees in Bhisho to achieve efficiency and effectiveness in service delivery. The above objective has been realised through the following procedure:

- Developing a retention strategy Model for motivating employees from the review of the existing relevant literature.
- Testing the retention strategy model among the public sector managers, using a survey questionnaire to establish whether the model would help in motivating employees in the public sector organisations.
- Integrating the results from the survey study with the retention strategy model to develop an integrated retention strategy model.

In Section 8.10 to 8.10.13 an analysis that were undertaken resulted in the development of integrated retention and motivational models, presented from **Figure 8.30 (Model A) to Figure 8.35 (Model F)**. Details of each Model are presented thereafter.

8.14 DEVELOPMENTAL MODELS FOR STAFF RETENTION

8.14.1 Staff Retention Model (A)

The Staff Retention Model has a strong focus on the psychology of employees and how motivated they are. The more compatible an organisation's goals are to the employee's expectations and personal preferences, the more likely the employee will be to stay. For example:

- Employees must see their work as worthwhile and important.
- They must see themselves as personally accountable for performance outcomes and task execution.
- They must be told about their performance and the quality of their work.

The supervisors and line managers play a key role in staff retentions. They are also responsible for making sure that they determine the quality of a variety of retention drivers: things that encourage employees to stay, such as work culture, opportunities for growth, rewards for performance and grievance handling. Staff retention management is now regarded as one of top five priorities in an organisation.

For example:

- Managers must own retention methods by linking them to their own performance appraisal system. In other words, managers must agree to be evaluated on the basis of their ability to retain staff.
- Managers should pay attention to the signs that valued employees are looking for other jobs. These include employees who:
 - Have been in the same job for some time
 - Are suddenly interested in job advertisements
 - Are curious about the benefits they can expect if they resigned (such as their pension schemes or whether they will be paid out for leave they have not used).
 - Express their dissatisfaction with working conditions.
- Employee development plans and strategies should go beyond job related training and should focus on life-long learning, personal development and capacity building.
- Staff retention should be underpinned by an approach to start with the right people by means of sound recruitment and retention practices.
- Human resources planning is also crucial in ensuring that staff retention is managed properly, because Human Resources Planning is aimed at making sure that the organisation has the right staff, at the right time, and in the right places; it provides a good basis for developing retention management and strategies.
- Some of the reasons for the staff turnover are unavailable and beyond the control of the department; for example, it can be caused by the death of an employee or for personal reasons, such as retirement, the employee's health or family relocation.

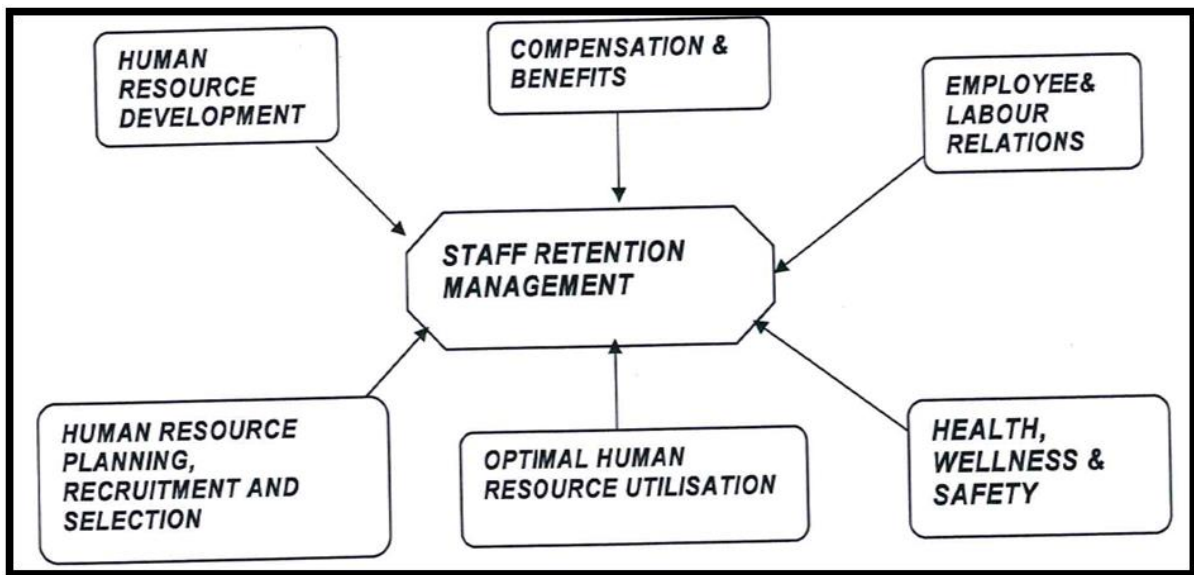
- On the other hand, some staff turnover is avoidable and can be managed, which is why staff retention management becomes both possible and important.
- A motivated workforce is a healthy workforce: sickly or unhealthy employees cannot perform good work. Organisations should ensure that their employees are healthy and have the necessary energy to provide the effort for the achievement of organisational objectives. Therefore, organisations have to be able to cater for the medical needs of employees, while providing a clean and working environment that is free from diseases and possible danger.

According to Nzuve (1997:108), organisations have both legal and moral obligations to provide a healthy and safe working environment and to ensure the total wellbeing of their employees. Nzuve believes that organisations should be concerned with employees' general health, both physical and mental, for both economic and humanitarian reasons. The employees are the most important resources to any organisation and their total wellbeing is important not only to themselves, but equally to the employer.

Furthermore, Nzuve (1997: 109) contends that safety and health go hand in hand. Safety is the protection of employees from injuries due to work related accidents. Such accidents are unplanned and are, in most cases, uncontrolled events, which can result in damage to both human and organisational property. Nzuve further indicates that since organisations provide the work and physical plan (office establishment), they should be committed to doing everything possible to protect their employees from risks associated with their work. According to Nzuve, accidents need not occur only in manufacturing or production establishment; they can only occur in offices or while driving an official motor vehicle on duty (Nzuve, 1997:108-110).

Retention and Motivational Strategy Models are presented from **Figure 8.31 (Model A) to Figure 8.14.4.1 (Model F)**. These models consist of six and nine strategies identified in the study for enhancing the level of retention and motivation of employees. This section covers retention and motivational strategies in some detail.

Figure 8.31: Staff retention (Model A)



Source: Human Capital Management Strategic: 2006:13 (Unpublished)

Compensation and benefits strategies:

- Provide adequate salaries
- Provide adequate housing or
- Reasonable housing subsidy
- Provide transport or
- Transport allowance

Greenberg and Baron (2000:143)

Employees labour relations strategies:

- To apply human resources procedures and systems fairly and consistently to all employees
- To motivate employees and create an enabling environment for employees to perform
- To understand workers preferences and what drives and motivates them
- To implement diversity management and employment equity programmes
- To implement staff retention strategies
- To manage performance effectively
- To give employees challenging work
- To empower employees through effective delegation

- To maintain the trust and support of the employees
- To provide an environment for people to excel,

Weghtman (1999:1142)

Health, wellness and safety strategies:

- Provide job security
- Provide job stability
- Ensure safety at work at all times
- Provide a clean working environment
- Provide Medical AID or health cover

Sources: Nzuve (1997:109) and Amstrong (1999:780)

Optimal human resource utilization strategies:

- Recognise good performance
- Reward superior performance
- Create a work environment that allows people to expand their capacity to create the results they desire.
- Create an immovable culture, use of technology, open communication and build a visionary and dynamic leadership.

Source: Weghtman (1999:109)

Human resource planning, recruitment and selection strategies:

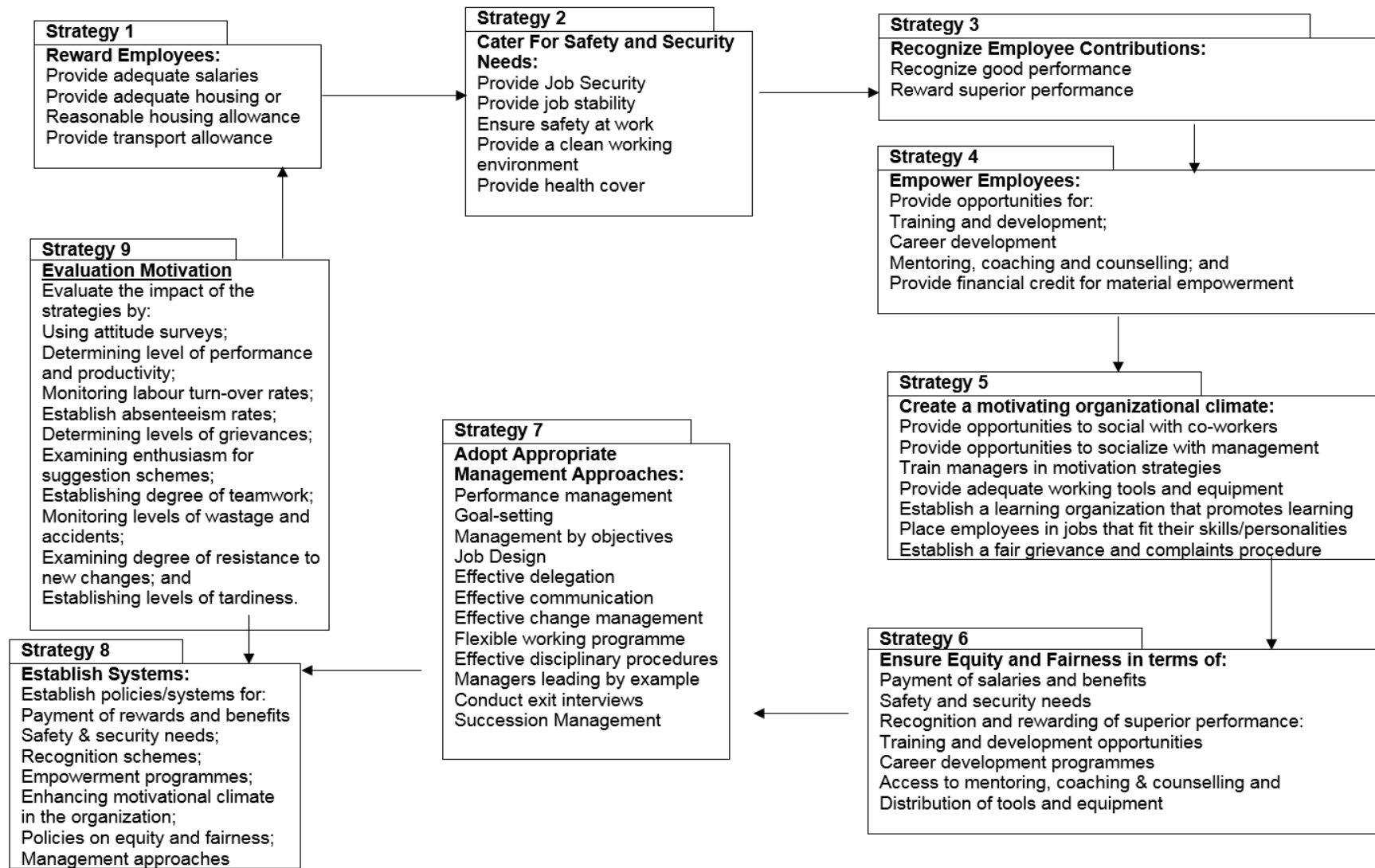
- Develop an effective human resource plan
- Identify positions and or occupations where sudden departures would derail strategic objectives or have an immediate negative impact on operations
- Organisations must have the right staff at the right time and in the right place
- Provide good basis for developing retention management and strategies
- Focus on recruitment and selection practices and ensuring linkage with human resource planning
- Focus and link with entrance of minority groups, such as women and people with disabilities
- Continuous research on internal staff morale, profile and external market trends

Empower employees' strategies:

- Provide opportunities for training and development
- Design targeted accelerated development programmes for talented employees
- Identify core and scarce skills within the department
- Develop focused retention programmes
- Career development
- Mentoring, coaching and counselling
- Provide financial credit for material empowerment

Sources: Schultz (2003:147-148) and Hellriegel *et al.* (1999:466-467)

Figure 8.32: Integrated motivational strategy (Model B)



STRATEGY 1

Reward employees adequately

- Provide adequate salaries
- Provide adequate housing facilities or
- Provide reasonable housing allowance
- Provide transport allowances

STRATEGY 2

Cater for safety and security needs

- Provide job security
- Provide job stability
- Ensure safety in the work place
- Provide a clean working environment
- Provide health cover

STRATEGY 3

Recognise employees' contributions

- Recognise good performance
- Reward superior performance

STRATEGY 4

Empower employees

- Provide training and development opportunities
- Provide career development programmes
- Provide mentoring, coaching and counselling programmes
- Provide financial credit for material empowerment

STRATEGY 5

Create a motivating organisational climate

- Provide opportunities to socialise with co-workers
- Provide opportunities to socialise with management
- Train managers in motivational strategies
- Provide adequate working tools and equipment
- Establish a learning organisation that promotes learning
- Place employees in jobs that fit their skills/personalities
- Establish fair grievance and complaints procedures

STRATEGY 6

Ensure equity (fairness) in the organisation

- Ensure equitable and fair payment of salaries & benefits
- Ensure equitable and fair catering of security and safety needs
- Ensure equitable and fair recognition and reward of superior performance
- Ensure equitable and fair training and development opportunities
- Ensure equitable and fair career development programmes
- Ensure equitable and access to mentoring/coaching/counselling programmes
- Ensure equitable and fair distribution of tools and equipment

STRATEGY 7

Adopt appropriate management approaches

- Performance management system
- Goal setting (setting clear, achievable, and challenging goals)
- Management of objectives
- Participative management (involving employees in making decisions)
- Job design (job rotation, job enlargement, job enrichment)
- Effective delegation (delegating work and authority to junior employees)
- Effective communication system in the organisation

- Effective change management (introducing systematic changes)
- Flexible working schedule (working from home and flexible working hours)
- Effective disciplinary procedure to encourage positive behaviour
- Managers leading by example (managers acting as role models)
- Conducting exit interviews (to establish why employees leave the organisation)
- Succession management

STRATEGY 8

Establish organisation systems

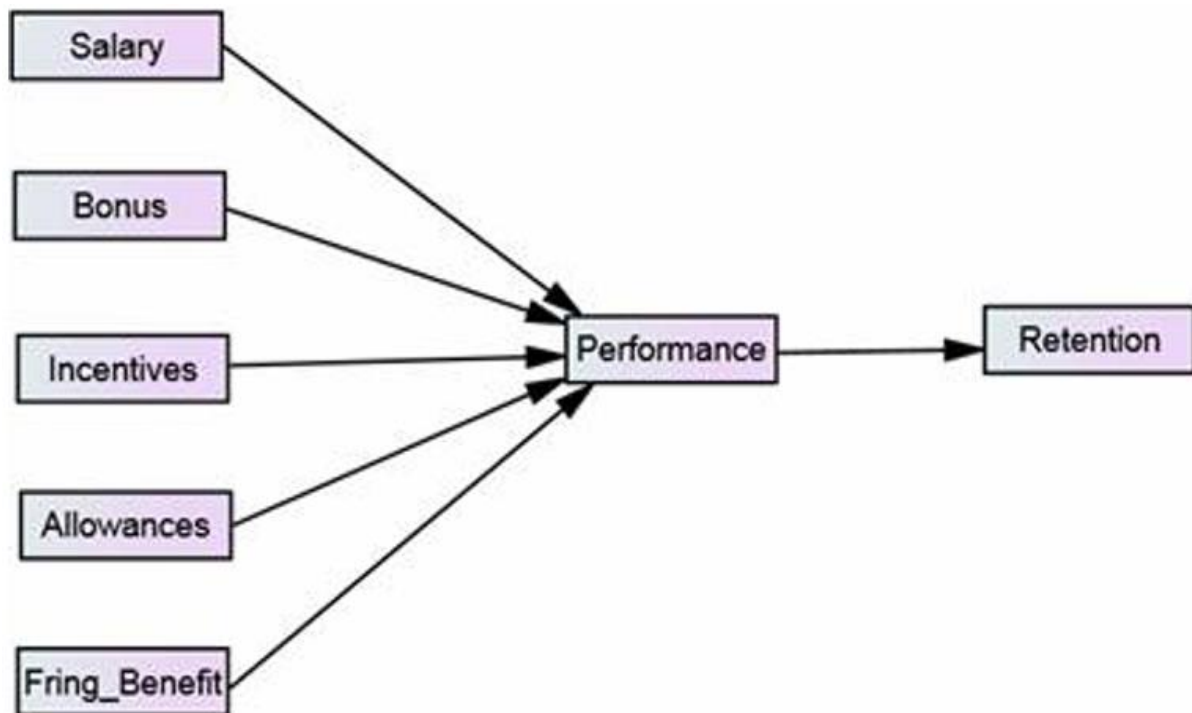
- Payment of rewards and benefits should be based on established policies
- Provision of security and safety needs should be based on policies
- Recognition and reward of performance should be based on formal schemes
- Empowerment of employees should be based on formal programmes
- Enhancing equity among employees should be based on formal policies
- Motivational management approaches should be based on policies
- Policies for enhancing motivational climate should be formal

STRATEGY 9

Evaluate motivation in the organisation

- Measure level of motivation using attitude surveys
- Determine level of work performance and productivity of employees
- Monitor labour turn-over rates
- Establish absenteeism rates
- Determine level of grievance and complaints
- Examine level of enthusiasm for suggestion schemes
- Establish degree of teamwork in the organisation
- Monitor the levels of wastage and accidents
- Examine the degree of resistance to change
- Establish the level of tardiness

Figure 8.33: Employee Retention (Model C)



Source: Milman, Ricci and Cole (2004: 11)

Milman, Ricci and Cole (2004: 11& 23-41: 2002:05) suggest that it would further reduce turnover rate if reward systems in the form of incentives plans to employees were to be introduced across the organisation. Several other research studies have indicated that compensation in the form of a basic salary only may not be sufficient to attract, satisfy or retain employees. Similarly, the study that was conducted by Walsh (2007:48 &23-41), revealed that although salary, bonuses and work-life balance were important, it is the absence of opportunity for professional growth and development that affects retention and satisfaction.

Cole (2002:5) furthermore emphasised that compensation was strategic to the organisation's goals and should therefore be able to ensure employee satisfaction, employee retention, employee development and better organisational performance. Thus, an exchange process takes place with compensation

(Milman, Ricci and Cole, 2004: 11& 23-41: Cole, 2002:05; Walsh, 2007:48 &23-41).

Table 8.23: Compensation of Employees (Model D)

Compensation systems	
Financial	Non-financial
Direct Payments(salaries) Indirect Payments (benefits) (bonuses) (incentives) (allowances)	Employee Involvement in decision-making Recognition Training Opportunities Health Care Holidays Supportive Organizational culture

Source: Gerhart and Rynes (1987:72)

Gerhart and Rynes (1987:72,366-373) state that compensation plays a key role in organisations, signalling employee worth, attracting potential job incumbents, and retaining existing employees. A major and perhaps the most notable among organisational retention initiatives is compensation. Moncarz, Zhao and Kay (2009:21,437-458) further mention that numerous studies have addressed the impact of employee compensation, rewards and the recognition of satisfaction and retention. Becker and Huselid (1999: 38. &353-365); Guthrie (2001: 44 & 180-190); Milman (2003: 22 & 17-35); and Walsh and Taylor (2007: 48& 163-182).

It has been noted that an effective human resources retention plan includes the adjustment of salaries paid to existing employees to make them comparable to those paid to their counterparts in the same industry. Work must be made more satisfying and employees must understand the advantages of working for their current company compared with moving elsewhere (Adeniji and Osibanjo, 212:12).

Becker and Huselid (1999:38 & 353-365) and Guthrie (2001: 44& 80-190) state that highly competitive compensation systems promote employee commitment and that this results in the attraction and retention of a superior workforce. It is further noted that employees will remain with an organisation as long as it serves their self-interest to do so more than the alternatives available to them elsewhere (Becker and Huselid, 1999:38 & 353-365; Guthrie, 001: 44& 180-190).

Mullins (1999, 5) states that employee satisfaction is a complex and multifaceted concept that can mean different things to different people. It is more of an attitude; an

internal state. It could be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 1999:5).

Mullins examines employee satisfaction 1) in terms of the fit between what the organisation requires and what the employee is seeking; and 2) in terms of the fit between what an employee is seeking and what he/she is actually receiving. He emphasises that the level of employee satisfaction is affected by a wide range of variables relating to 1) individual (i.e. personality, education, intelligence and abilities, age, marital status and orientation to work); 2) social factors (i.e. relationship with co-workers, group working and norms and opportunity for interaction); 3) cultural factors (i.e. attitudes, beliefs and values); 4) organisational factors (i.e. nature and size, formal structure, personnel policies and procedures, employee relations, nature of the work, supervision and styles of leadership, management systems and working conditions); and (5) environmental factors (i.e. economic, social, technical and governmental influences).

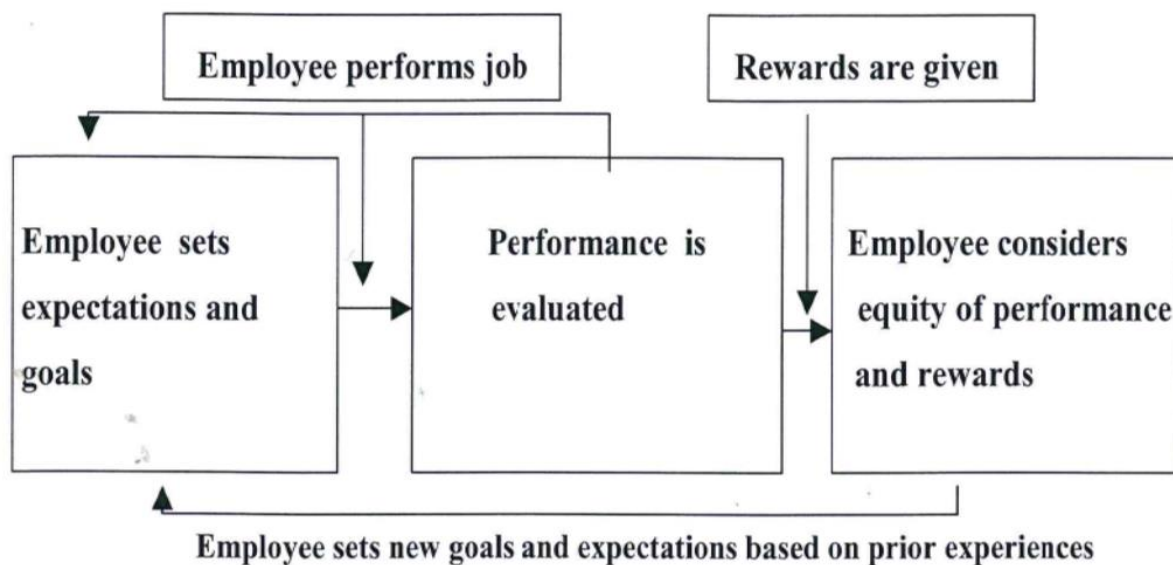
Employee satisfaction is defined as the result of a psychological comparison process of the extent to which various aspects of their pay (e.g. salaries, benefits and incentives) measure up to what they desire (Bartol, 1992: 24, 24-9). Thus, the larger the gap between what employees have and what they want from their jobs, the less satisfied they are (employees tend to be most satisfied with their jobs when what they are expecting matches with what they actually collect) (Bartol, 1992: 24, 24-9).

Obisi (2003:15) further mentions that an employee's overall satisfaction is the cumulative result of comparisons that she makes between what her job provides and what she desires in various areas. The fact that perceived importance makes such a big difference in how employees feel also has implications for management. Listed factors that contribute to employee satisfaction are: adequate salary, good working conditions, parental management, job security, recognition, opportunity for growth, positive and supportive environment cum supportive organisational culture, training opportunities and adequate health care, friendly nature of co-workers and colleagues' responsibility, and cordial relations between the superior and the subordinates. Therefore, we can conclude that employee satisfaction is a person's evaluation of his or her job and work context (Obisi, 2003:15).

8.14.2 Motivation and performance (Model E)

Correl *et. al.* 1995:505), as cited by Vlotman (2001:27-28), have developed a motivation and performance Model, presented in Table 8.23. This Model states that employees set certain expectations of the rewards they will receive in return for a certain level of performance. After performing the prescribed job and receiving the reward, as determined by management's evaluation of performance together with their union representatives, employees are in a position to evaluate the fairness of the performance-reward relationship and amends their expectations of reward. In a situation where a positive link is perceived between performance and reward, the employee is likely to strive for improved performance, with the expectation of increased reward, but in a situation where employee see no link between pay and performance, they are not likely to be motivated to put in an extra effort. The Model is further presented in **Figure 8.34** below (Vlotman, 2001:27-28).

Figure 8.34: Motivation and Performance (Model E)



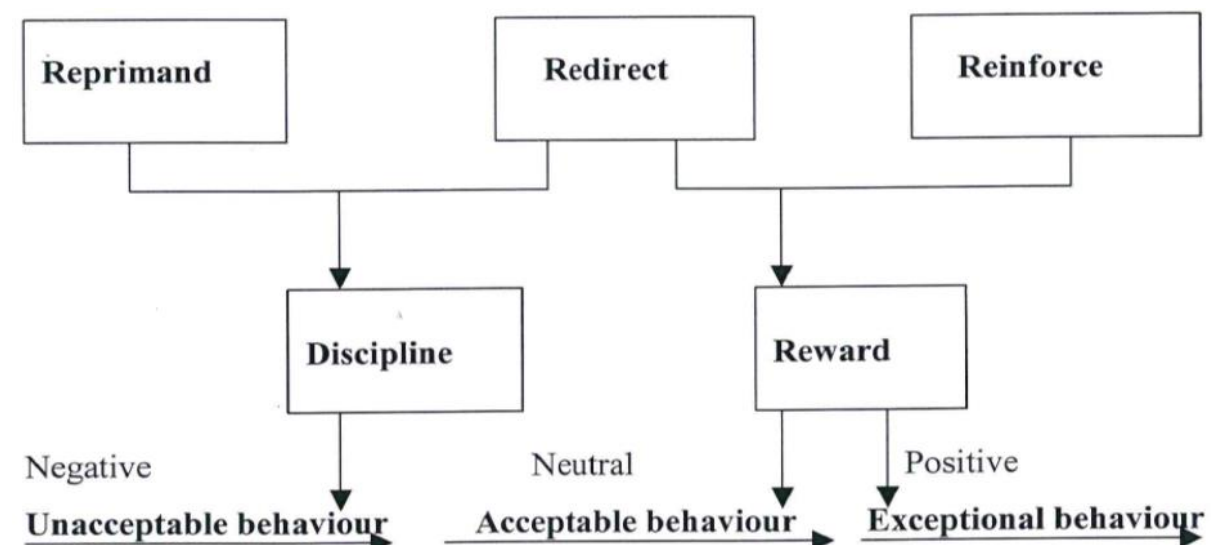
Source: Carrel *et al.* (1995:505), cited by Vlotman (2001:27)

8.14.3 Behaviour-shaping strategy (Model F)

Whelten and Cameron 2002:318) state that unacceptable behaviour should be reprimanded through appropriate disciplinary measures. Unacceptable behaviour should always be redirected into acceptable performance behaviour. The best performance should be immediately recognised and rewarded as a way of motivating

or feeding to the employee. In many instances, the effective application of the Behaviour-shaping Strategy Model will motivate employees to engage in positive and rewarding behaviour and they will become unlikely to engage in negative behaviour that will lead to punishment or them losing the opportunity to receive a reward. The Behaviour-shaping Strategy Model is presented in Figure 8.35 below (Whetten and Cameron, 2002: 318).

Figure 8.35: Behaviour-shaping Strategy (Model F)



Source: Whetten and Cameron (2002:318)

8.15 SUMMARY

In this chapter, an overview was provided of the methodology that guided the study. The biographical details of the respondents were also analysed.

This chapter presented the analysis of the results of the field study. The analysis of the results in this chapter enabled the study to realise all its objectives, namely:

- To examine existing literature on strategies for employee retention
- To determine whether there are existing tools for reducing staff turnover and boosting the morale of the government officials
- To examine the current staff turnover situation in selected government departments
- To establish whether strategies are currently in place to manage staff turnover with government

- To compare current strategies being used in government department to reduce staff turnover with those identified during the literature review
- To develop a Staff Attraction and Retention Model that achieves the following:
- Provides guidelines for implementing staff attraction and retention strategies, based on factors that influence staff attraction and retention
- Facilitates the development of tailored recruitment and retention models with government departments
- Identifies ways of attracting the required skills and promoting upward mobility through Recognition of Prior Learning (RPL)
- Determines the optimal method of utilising internships to place unemployed graduates in mainstream employment
- Identifies practical measures for effective human capital and talent management
- Devises strategies to improve the ability of government departments to attract and retain needed skills in order to meet the delivery goals of the Province
- Guides management in the execution of recruitment and selection processes to ensure effectiveness, efficiency, consistency and fairness
- Contextualises staff recruitment and retention the ECPA
- Creates a better understanding of staff recruitment and retention
- Provides recommendations to the ECPA authorities for the effective implementation of staff recruitment and retention strategies

The study also established that four departments had strategies in place for the motivation and retention of employees. Only 45 percent of the respondents confirmed that their departments had developed strategies for the motivation and retention of employees. However, the majority of the strategies developed by the study received sufficient support from the respondents. The suggestions by the respondents were incorporated in **Figure 8.30 (Model A) to Figure 8.35 (Model F)**. The integration of the motivational strategy and staff retention Model with the results of the field study and the subsequent development of the integrated motivational and retention strategy Model resolve the objectives of the study and Sub-problem five, which stated:

What strategies can these departments implement to reduce the rate of staff turnover and retain intellectual capital?

The process of integrating the motivational and retention strategy Models involved the integration of the strategies that were used in the participating departments and those suggested by the respondents. Chapter Eight of the study will present the research methodology adopted for the purpose of this study.

CHAPTER NINE

RECOMMENDATIONS AND CONCLUDING REMARKS

9.1 INTRODUCTION

The purpose of this final chapter is to reflect on the research endeavour and summarise what has been accomplished by the research project. Besides highlighting the main findings, the problems that were encountered in the research process and the limitations of the study will be described, as well as the training and development, motivation of employees, climate of participation in decision-making, the conditions of service and conducting longitudinal studies. Finally, recommendations and conclusion for further research will be outlined and suggested for the application of the findings will be presented. The Eastern Cape Provincial Administration has been severely affected by poor service delivery for many years. The main aim of this study was to investigate the impact of staff turnover, particularly its negative impact on organisational productivity and employee performance. The conclusions are drawn in line with the study objectives and attempt to answer the study's main research questions, focusing on strategies that can be used to reduce staff turnover. The recommendations from this study will be made available to the Executive Management of each department in which this study was conducted. The research design was quantitative and qualitative in nature, and structured questionnaires were used for the collection of data. The Statistical Package for Social Science (SPSS), Version 15 for Windows, was used to analyse data, and Tables were used to present the results. A pre-coded closed-ended questionnaire using the 5 point Likert scale was administered to the target population. Only employees of the selected departments in the Eastern Cape Provincial Administration participated in this study. The personal method of data collection was used to administer the questionnaires to all 225 respondents in the Office of the Premier, the Department of Health, the Department of Education, the Department of Local Government and Traditional Affairs and the Department of Roads and Public Works in the Eastern Cape Province Administration. High response rate (100%) was obtained In all participating departments.

9.2 PROBLEMS AND LIMITATIONS OF STUDY

The main problem experienced by the researcher was the refusal/hesitancy of some respondents to complete the questionnaire forms and the delay in returning the forms to the researcher. The refusal/hesitancy emanated from fear of being reprimanded by their management for what was perceived to be 'leaking organisational information to outsiders'.

Some respondents were not willing to cooperate even after they were shown the permit obtained for the research study. The process of collecting the questionnaire proved to be challenging, because some respondents failed to complete the questionnaire on time; the researcher therefore spent considerable time visiting various departments to follow up on the collection of the questionnaires. At the end of the collection exercise, 100% of the respondents who received a questionnaire returned it to the researcher.

9.3 RECOMMENDATIONS

The recommendations that flowed from the findings from this study are presented in the paragraphs below.

9.3.1 Recommendations one: Training and staff development

The following sections will focus on training and development, motivation of employees, participation in decision-making, conditions of service, conducting longitudinal studies and, finally, recommendations and conclusions.

Employees must be given training to improve their skills, as most respondents indicated that they had not received adequate training on the job. It is through training that employers will be able to create a motivating climate in departments that will enable employees to maximise their potential.

The Eastern Cape Provincial Administration must strengthen the process of encouraging planning and investing in the training and development of its employees. Most organisations that have invested in the training of their employees have managed to retain them, as long as their scarce skills are appropriately recognised. Most people like to know that they have room for career advancement and this can also serve as a

deterrent to employee turnover. Therefore, the availability of developmental opportunities for employees will increase organisational commitment, which will make it difficult for other potential employers to lure them away.

9.3.2 Recommendations two: Motivation of employees

All managers realise that motivation is important and if employees are enthusiastic about accomplishments, and try to do their jobs, the organisation will benefit. Organisational goals cannot be effectively attained unless employees work together. It is obvious that teamwork is essential in the public sector. One thing that managers should realize, is that their job is not just to “motivate an employee.” All employees enter a work situation motivated to attain the personal goals that they have established. One goal for a service manager is to develop motivated employees and increase their morale in their work. Employee morale in their work, including their supervisor and peers, the organisation and the work environment, can be defined as the feelings an employee has about all aspects of the job. There are many benefits to be gained from building good morale; besides, the relationship between morale levels, turnover and absenteeism is undeniable.

Proper and efficient working conditions should be instituted in all public offices to help increase employee performance levels. Better compensation and reward systems should be introduced by the head of departments in all public institutions to aid their employees to work harder. In addition, the head of departments should organise training programmes meant to increase the knowledge and skills of employees. Furthermore, employees who work harder and perform well and meet their targets should be recognised by departments, in the form of special treatment in terms of incentives such as bonuses.

To induce others to follow in their footsteps, departments should find ways to motivate their employees to work up to the maximum level, improve their work attitudes towards work values and, most important, be aware of public opinion of the public service.

This study also established that the motivation of employees was essential in improving their work performance. The ability to perform is not enough for effective performance: employees have to be motivated for them to realise their maximum

potential. The Eastern Cape Province Government should therefore strive to create a motivating work environment by implementing the integrated motivational strategy model developed by this study.

This study further established that a motivational model produces the most effective results, especially when it runs for longer periods of time. Incentive plans must increase rewards over a year. Effective incentives provide increasingly higher goals and employees are rewarded when they meet or exceed their target. Motivational actual performance has also proved effective as ongoing motivational models.

9.3.3 Recommendations three: Climate of participation in decision making

Management should involve their employees when they make decisions. Once you involve employees in decision-making, they will be willing to exert more effort, because they were part and parcel of the decision taken, which will increase their level of commitment in the department. When employees are involved in making decisions, they gain a professional and personal stake in the organisation and its overall success. The commitment leads to increased performance, as employees are actively participating in various aspects of the organisation and wish to see their efforts succeed overall.

This is not only beneficial to organisational growth, but also promotes on-the-job training for employees. The increase in responsibility expands employee's skills sets, preparing them for additional responsibility in the future. Participation in the decision-making process gives employees the opportunity to voice their opinions and share their knowledge with others. While this improves the relationship between managers and employees, it also encourage a strong sense of teamwork among workers. The expression of viewpoints opens dialogue between co-workers, with employees bringing their individual strengths to a project. It is also a good way to gather information about the employees as to how they work in a team environment and identify where training may be necessary – all of which lead to an increase in effectiveness, and ultimately an increase in good teamwork and performance.

9.3.4 Recommendations four: Condition of services

The Public Service is established in terms of Section (97) (1) of the Constitution and is applicable only to national and provincial departments. The purpose of the Public Service Act is to provide for the organisation and administration of public service and the regulations of the conditions of service. This Act is applicable to those who are employed in the Public Service and those who are to be employed in the public service.

Moving a step further from basic conditions of employment to a more personal level, involves the environment in which people work. Work equipment and facilities must be provided so that employees can do their work more easily. Favourable conditions of service have a tremendous effect on the level of pride of employees and the work they are doing.

9.3.5 Recommendations five: Conducting of longitudinal studies

In future, this study may be replicated in all Eastern Cape Provincial Departments and include employees who have left the service. Information from exit interviews was not readily available when required and it is not clear as to whether they are properly conducted. Follow-up interviews with the respondents over a period of at least ten months after the employees have left the service could be conducted. However, there could be challenges in locating ex-employees and it may have cost implications. It may be more useful to extend personal interviews with employees at line management level (even if there are five persons per rank), as this could throw more light on the real reasons as to why employees stay or leave the Eastern Cape Provincial Administration. In addition to that, this may give the researcher the opportunity to clarify certain questions, as it became clear during the distribution of the questionnaires among Managers and HR practitioners that respondents understood the questions differently.

9.3.6 Recommendation six: Human resources retention strategies

Arising from the empirical analysis of results, the following recommendations are made for the Office of the Premier, the Department of Health, the Department of Local Government and Traditional Affairs, the Department of Roads and Public Works and the Department of Education in the Eastern Cape Province. The main objectives of

this study were to develop attraction, retention and motivational strategies for the Provincial Government of the Eastern Cape. The study established that the level of attraction, retention and motivation in *the Provincial Government of the Eastern Cape* was extremely low and, based on the research findings, the following recommendations are made for application:

- Executive management should create opportunities for career advancement in the organization, as this may help staff to become more competent and to enjoy their work more.
- Executive management should give due recognition to its internal employees when there are new positions within the organisation. Clear, achievable goals and standards for each position should be set and should be known to employees. Individuals should also receive regular, timely feedback on how they are doing and should feel that they are being adequately challenged in their jobs (Mathis and Jackson, 2007:116).
- Executive management should improve working conditions within the organisation. The working environment should be conducive for good employee health and safety. To motivate the workforce and to enhance efficiency and performance, it is important to ensure a hazard-free and safe environment. When the adverse effects of the physical work environment are not attended to by management, employees may lose interest in their work and might leave the organisation (Del Val and Fuentes, 2003:151).
- Executive management should involve employees in decision-making processes.
- Executive management should involve employees in any issue that will affect them in the organisation. Employee involvement may be secured through meetings or through their representatives.
- Executive management should develop employee assistance programmes in the organisation to assist employees with problems, which will serve to reduce absenteeism or staff turnover.
- Executive management should also make sure that employees are aware of these programmes in the organisation. According to Erasmus et al. (2003:487), the introduction of Employee Assistance Programmes is of vital importance, whereby troubled employees could get-in-house assistance in coping with

problems that have a negative impact on their performance, affecting service delivery.

- Executive management should also express appreciation for employees' input in the organisation when they meet organisational goals. Appreciation can be shown through announcements or writing a letter of commendation and placing it on the notice-board, or providing incentives.
- Executive management should reduce work boredom among employees by revisiting employees' job descriptions in order to add some challenges. If there is no match between an employee and the job, the employee becomes bored by a job that provides no challenges or one that poses unrealistic challenges. These realities are the ones that make people leave the organisation (Erasmus *et al.*, 2003:41).
- Executive management should provide induction and orientation programmes for new employees in order to reduce wastage of resources. Providing training to new employees will served to reduce the wastage of resources while the new staff member settles in.
- Executive management should reduce staff turnover in order to improve organisational performance by retaining the best employees. Thus, quality of service delivery will be improved within the Eastern Province Administration Departments.
- Executive management should improve service delivery within the organisation. Martin (2003:99) asserts that staff turnover may have a devastating effect on the service rendered by the organisation and these may bring deficits in meeting community demands. This will lead to community irritation and an increase in complaints.
- Executive management should provide benefits that will convince the best employees to remain in the organisation in order to improve service delivery. Aligning employee remuneration with job responsibilities will help to motivate employees to improve their performance.
- Executive management should develop performance standards for employees in order to measure employee performance. Poor service delivery results in unhappiness and dissatisfaction among community members.

- Executive management should therefore ensure that the service provided to the community is monitored, in order to improve community satisfaction.
- Executive management should ensure that employees in the organization are paid fair and reasonable salaries.
- Executive management should pay a market related salary to employees in order to prevent them from moving to other organisations. According to Grobler *et al.* (2002:382), compensation refers to all forms of financial returns and tangible benefits that employees receive as part of their remuneration package.
- According to Nel, Van Dyk, Haasbroek, Schultz, Sono and Werner (2004:548), Executive management should establish the absenteeism patterns in the organisation over a period of time (e.g. three or six months). It was noted that staff turnover starts with regular employee absenteeism.
- Executive management should make efforts to conduct monthly sessions where the unit meets as a team to share information, experiences and concerns.
- Executive management should recruit more employees to close the gap left by previous employees in order to reduce work stress among present employees and to reduce overtime.
- Executive management should encourage teamwork within the organisation to improve organisational performance/effectiveness.
- Executive management should provide training to new staff members in order to reduce wastage of resources when new staff settles in and at the same time to improve quality of service provided by department.

9.3.7 Recommendations seven: The following are some of the recommended ways to lower staff turnover in the Workplace:

- Hiring the right people from the start, most experts agree, is the single best way to reduce employee turnover. Interview and vet candidates carefully, not just to ensure they have the right skills but also that they fit well with the organisation culture, managers and co-workers.
- Setting the right compensation and benefits is important too. Work with human resources to get current data on other organisation pay packages, and get

creative when necessary with benefits, flexible work schedules and bonus structures.

- Review compensation and benefits packages at least annually. Pay attention to trends in the marketplace and have HR update you.
- Pay attention to employees' personal needs and offer more flexibility where you can. Consider offering telecommuting, compressed schedules or on-site or back-up day care.
- Bolster employees' engagement. Employees need social interaction and a rewarding work environment. They need respect and recognition from managers, and a challenging position with room to learn and move up.
- Managers often overlook how important a positive work environment is for staffers, and how far meaningful recognition and praise from managers can go to achieve that. Awards, recognition and praise might just be the single most cost-effective way to maintain a happy, productive work force.
- Simple emails of praise at the completion of a project, monthly memos outlining achievements of your team to the wider division, and peer-recognition programs are all ways to inject some positive feedback into a workforce. Also, consider reporting accomplishments up the chain. A thank you note to the employee is good. Copying higher-ups makes that note even more effective.
- To make it easier to identify accomplishments, ask your team for weekly or monthly updates of their achievements. Ask for specific numbers, examples or emails of praise from co-workers or customers.
- Outline challenging, clear career paths. Employees want to know where they could be headed and how they can get there. Annual reviews or midyear check-ins are one obvious venue for these discussion, but you should also encourage workers to come to you with career questions and wishes throughout the year.

9.3.8 Recommendations eight: The areas suggested by the study for further research are listed below:

The current study has provided an opportunity to conduct an in-depth analysis and constructs of employee turnover within the selected departments in the Provincial Administration of the Eastern Cape. The study also discovered multifaceted processes that drove turnover within these departments. Therefore, further research could be

conducted in this field, using qualitative and quantitative methods. Qualitative methods could allow the researcher to use interviews to collect rich data from the respondents. Other researchers could focus their studies on other Departments of the Eastern Cape Provincial Administration, to make a comparative analysis. The following areas could be included in further research:

- Involuntary turnover to understand the variables associated with it, because there could have been instances where employees resigned prior to disciplinary proceedings;
- Eastern Cape Departments of Education and Health's perceptions of high turnover and the factors that contributed to employee departure;
- A study for all employees who left the department including those who were employed on a contract basis; and
- A study to determine the probability levels of leaving in the next 12 months for the existing employees.

9.4 CONCLUSION

It is clear that the relevant departments should have human resources strategic plans in place in order for them to effectively select and retain talent and provide extensive training and development for their employees. The study established that the level of motivation among Provincial Government of Eastern Cape employees is very low. Only a few departments had specific programmes in place to motivate their employees. Departments need to invest in the training, motivation and development of their employees to equip them with skills and implement strategies to reduce the level of staff turnover to retain employees. All departments in the Provincial Government of the Eastern Cape are therefore encouraged to adopt and implement the integrated retention strategy model to reduce turnover levels among their employees in order to enhance efficiency and effectiveness in service delivery. It would be advisable that the information presented in this study be put to good use not only for the present, but also for the future training, development and retention of employees in the Provincial Administration of the Eastern Cape.

Employee turnover is a critical issue facing corporate leaders, as the issue is complex in nature. Workforce stability is needed as a source of competitive advantage.

Managers and leaders are expected to be prepared, collaborative, supportive and nurturing the workforce, faced with unprecedented conditions forcing the institution to introduce radical changes too soon. The reviewed issues associated with turnover were resistance, loss of confidence and cultural conflicts, exhuming in the midst of unfavourable conditions. Employee turnover is prevenTable, but requires effort, energy and resources capable of responding to employee needs collectively.

The summary of the nature of motivation now begs the question as to what the implications of this knowledge are for the management and the organisation at large. It is the contention of the present study that increased employee performance is primarily the product of enhanced employee motivation, although employee performance can be improved by internal hard components such as tools of work, work methods, processes and performance measurement (De Wit and Hammersma, 1992:203).

It is employees who need to use these tools and implement work methods successfully. It is therefore employee motivation that will eventually determine overall performance in the organisation. The present study suggests that by satisfying certain needs of employees, management can motivate them to higher performance levels. The motivational process is triggered by needs, after which this process is developed and sustained by other motivational aspects, such as abilities, thoughts and beliefs.

The main problem that prompted the study was an outcry in the Eastern Cape Provincial Administration concerning the shortage of scarce skills in service departments. This is usually termed a lack of human resources capacity. Skilled personnel are often attracted to other South African provinces, such as the Western Cape and Gauteng, which offer better remuneration and living conditions. This study sought to investigate the staff turnover and the impact on service delivery at the Office of the Premier of the Eastern Cape and the Health, Education, Local Government and Traditional Affairs Roads and Public Works departments, especially with regard to service delivery to the communities.

These Departments in the Eastern Cape Provincial Administration have been faced with a high rate of staff turnover each year, leading to poor employee performance, which in turn impacts on organisational effectiveness. When an employee leaves the

organization, the remaining employees have to fill the gap until a new employee is appointed. Staff turnover impacts on employee performance, because the daily work performance of remaining employees is affected by the extra duties that need to be performed. These Departments spend a lot of money on the recruitment and training of new staff members each year due to high turnover rates (Dlamini-Zuma, 2009:01). Many complaints are received from the community regarding the performance of employees at these Departments (Dlamini-Zuma, 2009:01).

The Eastern Cape Provincial Administration's Data Collection System reveals an average vacancy rate of 28% across all Eastern Cape Provincial Administration (ECPA) departments (2008). Staff turnover is high, and the (ECPA) departments are struggling to retain and attract employees (Eastern Cape Provincial Government: Attraction and Retention Strategy Framework and The Recruitment and Selection Policy, 2006:1).

The Eastern Cape Provincial Administration is also struggling to attract and retain young talent who possess the required professional scarce skills. Another challenge is the frequent movement of qualified and experienced senior management, both to the private sector and other provinces. These departments do not have any knowledge management policies in place to preserve their intellectual capital. Therefore, some of this intellectual capital is lost when critical employees resign or retire from the service (Attraction and Retention Strategy Framework and The Recruitment and Selection Policy, 2006:1).

The following questions were formulated in order to address the problem of the study:

What strategies can these departments implement to reduce the rate of staff turnover and retain intellectual capital in order to enhance work performance and achieve efficiency and effectiveness Service Delivery in the Province?

An analysis of the main problem culminated in the identification of the following sub-problems:

Sub-problem One:

What does literature reveal regarding the retention of employees and knowledge management?

The review of the relevant literature in Chapters Three, Four Five, Six and Seven identified the retention, motivational and labour relations strategies used by these departments to retain and motivate their employees. The identification of the strategies led to the development of retention and motivational strategy models, which were presented in Chapter Eight. On the basis of the retention and motivational strategy models, a survey questionnaire was developed and presented to all human resources employees of the selected departments within the Province of the Eastern Cape Provincial Administration, to establish the extent to which they 'strongly disagree', 'disagree', 'neither agree nor disagree', 'agree strongly or agree' that the strategies developed in terms of the study would be effective in relation to and motivating employees in the Eastern Cape Provincial Administration. The methodology and analysis of the biographical data were presented in Chapter 7. Also, Chapter 9 provided an opportunity for the analysis and the interpretation of the research results.

Sub-problem Two:

What retention and motivational strategies are currently used to retain and motivate employees in the Provincial Government of the Eastern Cape?

In order to resolve sub-problem two, a survey questionnaire was developed by the researcher to establish the retention and motivational strategies that were used in motivating employees in the Provincial Government of the Eastern Cape. The results indicated that very few departmental strategies were in place to return and motivate employees.

Sub-problem Three:

How can the results obtained from resolutions of Sub-problems One and Two above can be combined into an integrated motivational strategy that can be used by the Provincial Government of the Eastern Cape Province to improve the level of employee turnover in government?

Sub-problem Three was resolved by altering and deleting retention and motivational strategies in the retention and motivational strategy model based on the suggestions of the respondents in the above. All retention and motivational strategies in the model that did not receive sufficient support from the respondents were eliminated and the retention and motivational strategies recommended by the respondents, along with various strategies used in selected departments of the Eastern Cape Province Administration, were integrated into one model, resulting in the development of the integrated motivational and retention strategy models from **Figure 7.30 (Model A) to Figure 7.35 (Model F)**.

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ANNEXURE A
40 Alamein Crescent
King Williams Town
6001
17 September 2014

The Head of Department
Department of Roads and Public Works
Private Bag X0022
Bhisho
5606

Dear Mr. B.Gxilishe

RE: PERMISSION TO CONDUCT TREATISE RESEARCH WITHIN THE HR SECTION OF THE DEPARTMENT OF EDUCATION:

While employed as Manager responsible for Recruitment and Condition of Services by the Office of the Premier, I am a part -time student for a Doctoral Degree in Human Resource Management at the Nelson Mandela Metropolitan University. At present, I am conducting a research project for my treatise on the following topic: **AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE**. My research will involve the following departments:

- (a) Office of the Premier
- (b) Department of Health
- (c) Department of Education
- (d) Department of Local Government and Traditional Affairs
- (e) Department of Public Works.

I therefore request your permission to conduct my research under the auspices of the Department of Education. This research study will be conducted over a period of a week with a requirement of one hour per department targeting Human Resources Managers and Practitioners as the source of data. I furthermore undertake to treat any information provided to myself with the strictest confidence and the outcomes of the research will be provided to your Department at request.

Hope you find the above in order.

Kind Regards



ERIC KHELEKETHE
RESEARCHER



40 Alamein Crescent
King Williams Town
6001
17 September 2014

The Head of Department
Department of Health
Private Bag X0038
Bhisho
5606

Dear Dr. S. Pillay

**RE: PERMISSION TO CONDUCT TREATISE RESEARCH WITHIN THE HR
SECTION OF THE DEPARTMENT OF EDUCATION:**

While employed as Manager responsible for Recruitment and Condition of Services by the Office of the Premier, I am a part -time student for a Doctoral Degree in Human Resource Management at the Nelson Mandela Metropolitan University. At present, I am conducting a research project for my treatise on the following topic: **AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE.** My research will involve the following departments:

- (a) Office of the Premier
- (b) Department of Health
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Hope you find the above in order.

Kind Regards


ERIC KHELEKETHE
RESEARCHER



40 Alamein Crescent
King Williams Town
6001
17 September 2014

The Head of Department
Department of Local Government and Traditional Affairs
Private Bag X0035
Bhisho
5606

Dear Mr. S. Khanyile

**RE: PERMISSION TO CONDUCT TREATISE RESEARCH WITHIN THE HR
SECTION OF THE DEPARTMENT OF EDUCATION:**

While employed as Manager responsible for Recruitment and Condition of Services by the Office of the Premier, I am a part -time student for a Doctoral Degree in Human Resource Management at the Nelson Mandela Metropolitan University. At present, I am conducting a research project for my treatise on the following topic: **AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE.** My research will involve the following departments:

- (a) Office of the Premier
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I therefore request your permission to conduct my research under the auspices of the Department of Education. This research study will be conducted over a period of a week with a requirement of one hour per department targeting Human Resources Managers and Practitioners as the source of data. I furthermore undertake to treat any information provided to myself with the strictest confidence and the outcomes of the research will be provided to your Department at request.

Hope you find the above in order.

Kind Regards


ERIC KHELEKETHE
RESEARCHER



40 Alamein Crescent
King Williams Town
6001
17 September 2014

The Director General
Office of the Premier
Private Bag X0047
Bhisho
5606

Dear Mr. M. Sogoni

**RE: PERMISSION TO CONDUCT TREATISE RESEARCH WITHIN THE HR
SECTION OF THE DEPARTMENT OF EDUCATION:**

While employed as Manager responsible for Recruitment and Condition of Services by the Office of the Premier, I am a part -time student for a Doctoral Degree in Human Resource Management at the Nelson Mandela Metropolitan University. At present, I am conducting a research project for my treatise on the following topic: **AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE**. My research will involve the following departments:

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Hope you find the above in order.

Kind Regards


ERIC KHELEKETHE
RESEARCHER



40 Alamein Crescent
King Williams Town
6001
17 September 2014

The Head of Department
Department of Education
Private Bag X0032
Zwelitsha
5606

Dear Mr M.R.Tywakadi

**RE: PERMISSION TO CONDUCT TREATISE RESEARCH WITHIN THE HR
SECTION OF THE DEPARTMENT OF EDUCATION:**

While employed as Manager responsible for Recruitment and Condition of Services by the Office of the Premier, I am a part -time student for a Doctoral Degree in Human Resource Management at the Nelson Mandela Metropolitan University. At present, I am conducting a research project for my treatise on the following topic: **AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE**. My research will involve the following departments:

- (a) Office of the Premier
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I therefore request your permission to conduct my research under the auspices of the Department of Education. This research study will be conducted over a period of a week with a requirement of one hour per department targeting Human Resources Managers and Practitioners as the source of data. I furthermore undertake to treat any information provided to myself with the strictest confidence and the outcomes of the research will be provided to your Department at request.

Hope you find the above in order.

Kind Regards



ERIC KHELEKETHE
RESEARCHER



Annexure B

Informed consent

Title of Study: An Evaluation of Staff Turnover in Selected Departments in the Eastern Province of Eastern Cape.

Purpose of the Study: To identify a practical measure for effective human capital and talent management and develop strategies that will improve the ability of the Province to attract and retain the right talent in the Province to meet the Province's delivery goals.

Procedure: Each interview /questionnaire will take more or less than 20 minutes and the questions will be based on the recruitment and turnover rate within the ECPA.

Benefit: There will be no benefit to myself as this is for the improvement of the provincial administration of the Eastern Cape.

Participation: Current employees, the Human Resource Management, Practitioners and Exit interviews.

Confidentiality: The name of the employee and employee's number will not be attached to the questionnaire and the information will be kept confidential

I understand my rights as research subject and voluntarily consent to participate in this study. I understand what it is about and how and why it is being done. I have received a copy of this consent form.

Signed on: _____

Employee: _____

Principal Investigator: _____

The Leader in Excellence at the centre of a coherent, pro poor Provincial Administration



Ikamva eliyaqambileyo!

QUESTIONNAIRE COVERING LETTER

Dear Respondent

AN EVALUATION OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE

Your assistance in filling and returning this questionnaire will be highly appreciated. It should only take a few minutes of your time.

In order to meet the requirements for the DPhil Development Studies at the Nelson Mandela Metropolitan University, I am currently conducting a survey on the strategies used by Departments to reduce employee's turnover rate.

It will be highly appreciated if you can complete this questionnaire and return it to me by theOctober 2014.

Please indicate if you wish to receive a copy of the summary of the findings.

Yours sincerely



Eric Khelekethe
Researcher

Subject Information Sheet for Participants

Hello

My name is Eric Khelekethe. I am currently reading for my doctoral degree in Development Studies at the Nelson Mandela Metropolitan University. As part of my degree I am conducting research on the evaluation of staff turnover in selected key departments in the Eastern Cape Provincial Administration. The main aim of the study is to examine existing literature regarding strategies for employee retention and to determine whether measures do exist to reduce turnover and boost morale of Government Officials.

I wish to invite you to participate in the study. Please note that your participation is voluntary and that non-participation will have no negative consequences. Should you decide to participate in this study, you will need to be part of Human Resources Management or Practitioner's so as to discuss the staff turnover in selected key departments in the Eastern Cape Provincial Administration. The discussion will take place with English and Xhosa to ensure that, I will be receiving the best, quality information. The questionnaires will be written with English only. I will be available to assist you in filling in the questionnaires. The name of the employee and employee's number will not be attached to the questionnaires and the information will be kept confidential. The researcher will treat any information provided to him with the strictest confidence.

Please note that you can withdraw from the study at any time should you feel that you do not want to continue. If you feel that certain of the questions are too personal or if you feel uncomfortable answering them, you have the right to refuse to answer, should you wish to do so. Although I am unable to guarantee total confidentiality, I advise all participants in the study to maintain confidentiality. Under no circumstances will any of your responses be shown to anyone other than my two research supervisors and me. No identifying information will be included in the final report.

By participating in this study you will contribute to the development of a proposed model that will be used to develop a staff attraction and retention model with long term and short –term implementation with key factors that influence staff attraction and retention. The outcomes of this research will be made available to the Honourable Premier Members of the Executive Council and the Heads of Departments.

Yours faithfully



Mr. E. KHELEKETHE
(Researcher) 082 972 1796

Please mark the appropriate box with an X

1. What is your age?

<input type="checkbox"/>	20-25 years
<input type="checkbox"/>	26-35years
<input type="checkbox"/>	36-45years
<input type="checkbox"/>	46+ years

2. What is your highest qualification?

<input type="checkbox"/>	Bachelor's degree or diploma
<input type="checkbox"/>	Honours degree or equivalent
<input type="checkbox"/>	Master's degree
<input type="checkbox"/>	Doctorate degree
<input type="checkbox"/>	Other

3. What position do you hold?

<input type="checkbox"/>	HR Practitioner
<input type="checkbox"/>	Assistant Manager
<input type="checkbox"/>	Manager
<input type="checkbox"/>	Senior Manager
<input type="checkbox"/>	General Manager
<input type="checkbox"/>	Deputy Director General

4. How long have you been working for this department?

<input type="checkbox"/>	0-1years
<input type="checkbox"/>	2-5years
<input type="checkbox"/>	6-10years
<input type="checkbox"/>	11-15years
<input type="checkbox"/>	16+years

5. To whom do you report?

<input type="checkbox"/>	Senior HR Practitioner
<input type="checkbox"/>	Assistant Manager
<input type="checkbox"/>	Manager
<input type="checkbox"/>	Senior Manager
<input type="checkbox"/>	General Manager

SECTION B: RETENTION STRATEGIES IMPLEMENTED IN SELECTED DEPARTMENTS.

This section of questionnaire is designed to assess retention strategies implemented in selected departments under study to reduce turnover. Please indicate the extent you agree with the following statements by marking with an X on the appropriate box.

MOTIVATION STRATEGIES

Please indicate the extent to which you agree with the following statements regarding motivation strategies used by the departments to reduce turnover.

Empowerment					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. Employees are encouraged to participate in solving work-related problems.					
2. Employees have the appropriate authority to make decisions required to get the job done.					
3. In the area I work, I am encouraged to speak up and challenge the way things are done.					
4. Employees take responsibility for making decisions important to their work.					

Cooperation and Teamwork					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. Overall, there is a strong feeling of unity in my team.					
2. People in my team can be counted on to support each other.					
3. The people I work with cooperate and work well together.					

Trust					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. Employees here trust one another.					
2. Employees and managers have trust in one another.					
3. Trust is a problem in my Department					
4. Trust is a problem in the Provincial Government					

Organisational commitment, turnover and retention					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. I am committed to the work and overall goals of the Provincial Government.					
2. I am committed to work for the Provincial Government for the next year.					
3. I feel I am an important part of the Provincial Government.					
4. The Provincial Government is a good organisation to work for, compared to other organisations I know about.					
5. I see myself working for the Provincial Government three years from now.					
6. If I have my way, I will be working for the Provincial Government five years from now.					
7. The Provincial Government is able to retain quality employees.					
8. I have explored other job opportunities outside The Provincial Government during the last six months.					

Attraction					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. I am proud to tell other people that I work for the Provincial Government					
2. People from outside of the Provincial Government think that this is a good place to work.					
3. I would recommend this Provincial Government as a good place to work to someone looking for a job					

Job satisfaction					
Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
1. I am doing something that I consider satisfying and worthwhile in my job.					
2. My work gives me a feeling of personal accomplishment.					
3. I enjoy my job.					
4. My job makes good use of my skills and abilities.					
5. I believe my work is important to the Provincial Government					

Recognition and rewards

Please tick the appropriate box

Strongly
Disagree

Disagree

Neither
Agree or
Disagree

Agree

Strongly
Agree

1. I am satisfied with the recognition I receive for doing a good job.
2. My department uses praise and recognition to acknowledge good work.
3. Employees are fairly rewarded for good work.
4. In the Provincial Government emphasis is placed on rewarding employees for success rather than punishing them for failure.

Growth and development opportunities leading to promotion

Please tick the appropriate box

Strongly
Disagree

Disagree

Neither
Agree or
Disagree

Agree

Strongly
Agree

1. I get adequate information about promotions or career opportunities.
2. I am aware of the career opportunities throughout the Provincial Government.
3. There are adequate plans on how to develop employees for better jobs.
4. I am satisfied with my future prospects for promotion.
5. I know that if I perform my job well I can grow in this organisation.
6. I can schedule time with my manager to discuss my career.
7. My work provides experience and knowledge that will help me in my career.
8. My manager helps subordinates develop their skills

Communication

Please tick the appropriate box

Strongly
Disagree

Disagree

Neither
Agree or
Disagree

Agree

Strongly
Agree

1. I receive enough information from my manager to do my job well.
2. Information is adequately communicated to me concerning organisational policies and practices.
3. My manager shares information about the Provincial Government's performance with me.
4. Communication within my Department is open and honest.
5. Overall, communication within the Provincial Government is open and honest

Workload

Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. My workload is reasonable.					
2. I am able to strike a balance between my home and work life.					
3. Work is distributed fairly among colleagues.					
4. There is adequate administrative and clerical support in my office.					
5. There is adequate support from my manager in my office.					

Remuneration

Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. Considering my duties and responsibilities, I feel my pay is fair					
2. My total earnings are fair, when compared to employees in similar positions in other organisations.					
3. Compensation within the Provincial Government is competitive with that of the marketplace.					
4. The benefits I receive (e.g. pension, medical aid) suit my needs.					

Situational factors

Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. I am happy living in the Eastern Cape					
2. I would be happier in my job if it were in a different department within the Provincial Government.					

Please tick the appropriate box	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Leadership: Control of work					
1. My manager is aware of the work which is being done by subordinates.					
2. My manager maintains high standards of performance					
Leadership: Goal/ Target setting					
1. My manager makes sure subordinates have clear goals/targets to achieve.					
2. My manager encourages my team to cooperate and work together.					
Leadership: Problem solving					
1. My manager helps me solve work-related problems.					
2. My manager helps me discover problems before they worsen.					
Leadership: Relations with subordinates					
1. My manager is aware of the way subordinates think and feel about their work.					
2. My manager keeps subordinates informed with relevant information affecting their work					
3. My manager has the respect of subordinates					
4. My manager is always fair with subordinates					
5. My manager applies policies and procedures consistently					
Leadership: Participative management					
1. My manager encourages subordinates to participate in important decisions					
2. My manager encourages people to speak up when they disagree with a decision					

The staff turnover in my department is high.

Strongly Agree	
Agree	
Uncertain	
Disagree	
Strongly disagree	

Department of Health

In your view, what are the reasons that make staff leave your department?

.....

.....

.....

.....

.....

If you were allowed to manage the process of retaining staff, what specific strategies would you implement?

.....

.....

.....

.....

.....

Open ended questions

1. If you are planning to leave the Provincial Government within the next year, what is your main reason for leaving?

2. What is the single most important factor that makes you stay in your job?

Open ended questions

3. What is the single most important factor that makes you stay in your job?

Thank you very much for participating in this project. Your input is highly appreciated.

TO WHOM IT MAY CONCERN

11 December 2015

I confirm that I, Marthie Nel, have edited the language in the following Doctoral Dissertation submitted by Mr **ERIC PHATHISILE KHELEKETHE** to the Nelson Mandela Metropolitan University in fulfilment of the requirements of the Degree **D.PHIL. (DEVELOPMENT STUDIES) IN THE DEPARTMENT OF DEVELOPMENTAL STUDIES:**

“CAUSES OF STAFF TURNOVER IN SELECTED DEPARTMENTS: PROVINCE OF THE EASTERN CAPE”

I am a South African citizen and a member of the South African Institute of Translators and Interpreters.

I have an Honours Degree in Literary Science (1979) from the (Orange) Free State University, having obtained a BA (Languages) Degree in English, Afrikaans-Nederlands and Literary Science at the same institution. I have worked as a professional editor since 1981, and am currently employed as head of the Language Proficiency Office of the Nelson Mandela Bay Municipality.

Over the past 35 years, I have done extensive editing for both students and lecturers at various South African universities, including over 380 theses and dissertations, as well as countless academic articles due for publication in a broad spectrum of journals.

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