

**CAUSES AND EFFECTS OF LABOUR TURNOVER ON THE PERFORMANCE OF
SMALL SCALE BUSINESSES**

CASE STUDY: SANLAM INSURANCE COMPANY-KOLOLO

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DEDICATION

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ACRONYMS

CSR	-	Corporate Social Responsibility
CII	-	Certified Institute of Insurance
HRM	-	Human Resource Management
ILO	-	International Labour Organisation
KPI	-	Key Performance Indicators
TCF	-	Treating Customers Fairly

ABSTRACT

The study aimed at the Causes and Effects of Labour turnover on the Performance of small scale businesses.

The objectives of the study where to identify the cause of labour turnover, to identify the effect of labour turnover on the performance and to find out the strategies employed to reduce labor turnover in Sanlam General insurance company.

Data was collected through mixed methods of strategies that is to say, questionnaires and the interview guide. The research sample composed of 66 respondents of which 37 were male and 29 female.

Recommendations where made possible by using tables. These were found to be the most appropriate for the study since it was simple/easy to summarize the information.

The causes of labour turnover identified were lack of employee satisfaction, low employee engagement, lack of promotions and recognition in the organization, poor organizational culture, poor supervisors' feedback, lack of employee benefits and the poor organizational policies.

Effects of turnover on performance identified were loss of skilled manpower, low salaries to non-performers and recruitment of new employees who bring new skills from former job places.

Recommendations made include the human resource having an examination of employee selection procedures, management and planning procedures, management consulting more and coming up with the best benefit scheme for all age groups, government empowering the managers and human resource of the different organisations to monitor their employees' performance and new horizons of labour turnover be conducted to test the effects and the new intervention on design and strategies.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

The study provided an insight on labour turnover and how it affects the performance of small scale businesses. A case study of Sanlam General insurance company and labour turnover was conceived in this study as the independent variable while organizational performance the dependent variable. This chapter therefore gives a brief introduction on labour turnover and the background of the study, research questions, objectives, scope and the significance of the study.

1.1 Background of the Problem

Labour turnover as understood by human resource professionals is the rate at which an organisation's workforce terminates employment and requires replacement Kreitner (2003). Keeping staff rather than losing them is not easily satisfied by most organizations. Successful organisations in this area are ones that have identified and put in place measures such as rewards, recognition, training and development so as to encourage employees to work whole heartedly as not to affect the performance of the organization negatively. Therefore organisations that cannot identify the efforts of their employees end up losing them to other organisations which affects the productivity and growth of the company and hence increasing the organisation's cost of recruiting new staff. High turnover according to Kreitner (2003) affects the organisation's performance naturally.

Competitors easily gain knowledge and skills of another firm and it takes time before an employee fits into the new job. This may lead to the expectations of the customer not to be met and these undoubtedly affect the overall performance of the firm. Labour turnover is

costly, lowers productivity, kills morale, loss of customers to competitors and tends to get worse if it is not urgently addressed, Armstrong (2004).

Higher pay can be justified by the higher productivity of experienced workers, but there comes a point at which the law of diminishing returns sets in. The law States that, for every additional unit of investment in certain situations, you receive less of a marginal return as written by Elliot (1991). Adding more workers to a job at times causes problems for example workers may get in each other's way or frequently finding themselves waiting for access to apart. In all of these processes, producing one more unit of output per unit of time will eventually cost increasingly more and this is due to inputs being used less and less frequently (Pires,2009).

Human resource is the most important among all business resources and will provide valuable contribution to the enterprise if natured, cared for and supported (Akindele, 2007). According to Long, et al. (2012), labour turnover has been generating heat discussion in the literature for the past decades due to psychological dimension on organizational significant and economic dimensions on nations and this is due to the increasing rates of turnover in the different organisations including Sanlam General insurance company which is affecting the performance of the organisation hence its competitors beating them on the market.

Retaining employees carries obvious advantages and Armstrong (2001) observed that long term employees generally have higher productivity and efficiency on the job than newer employees due to their length of experience with the firm. Loyal employees do improve operational processes and train incoming employees. Loyal employees can also be loyal customers and avoid word of mouth advertisers in certain cases (Robert, 2011).

Labour turnover has received substantial attention from both academics and managers in the hope of reducing the occurrence of turnover in their respective organisations though

according to Ruth (2015), this subject has received less attention from researchers. Labour turnover affects both workers and organisations. Workers experience disruption, they need to learn new job specific skills and find different career prospects Mathis and Jackson (2007).

In economic activities, human effort is the key and thus without effort which is considered vital for production and performance, so many managerial effort is to be proved abortive.

In other words, according to Elliot (1991), labour turnover is the rate at which incoming employees replace the outgoing employees. This implies that for every employee leaving the organisation (Sanlam General insurance company), he or she has to be replaced regardless of the costs that are to be incurred so that the organisation continues operating effectively.

1.2 Statement of the Problem.

According to Grobler (2006), certain amounts of turnover are expected, unavoidable and considered beneficial to the organisation. New employees inject fresh blood into the firm as they introduce new ideas and methods.

According to Gardener (2009), high rates of employee turnover each year may lead to poor performance of the business. When an employee leaves the organisation, present employees have to fill the gap until a new employee is appointed. Due to this, labour turnover affects the performance of the business as employees get disrupted with their daily work performance and this may also affect the operations of the organisation.

Armstrong (2004) writes that the problem of labour turnover is that it attracts a reasonable percentage of attention in the organisation as it represents the wire of any organisation. This is further proved in Sanlam General insurance company's annual report (2015) where the chairman Valli Mousa wrote that the company highly cares about their employees' satisfaction and therefore their financial wellbeing is a growing concern. Research shows that

a few of their employees retire with sufficient funds to maintain their lifestyle. This therefore requires the employees to save for retirement. The company therefore is applying TCF principles in order to reduce on the retirement of employees from the business.

1.3 Broad Objective of the Study.

The research was carried out to find the effects and causes of labour turnover on the performance of Small scale businesses.

1.4 Specific Objectives.

- i. To identify the cause of labour turnover in Sanlam General insurance company.
- ii. To identify the effect of labour turnover on the performance of Sanlam General insurance company.
- iii. To find out the strategies employed to reduce labour turnover in Sanlam General insurance company.

1.5 Research Questions.

- i. What are the causes of labour turn over in Sanlam General insurance company?
- ii. What are the effects of labour turnover on the performance of Sanlam General insurance company?
- iii. What strategies are being carried out by organisations to reduce labour turnover in Sanlam General insurance company?

1.6 Scope of the Study.

1.6.1 Geographical scope

The study was carried out at Sanlam General Insurance Company which is located at plot 2, Park lane -Upper Kololo, Kampala district.

1.6.2 Subject scope

The study was restricted to only employees, the Human resource department and the management of Sanlam General insurance company since they have appropriate and relevant subject knowledge for this study. This helped to deeply identify the rate of labour turnover in the company and how it affected its performance.

1.6.3 Time Scope

The study was done within a period of time approximating to two years (2016-2017). This is because the study carried out in 2016 was limited to findings on labour turnover and its effect on the performance of Sanlam General insurance company while in 2017 that's when all the findings were compiled together to justify the objectives of the research.

1.7 Significance of the Study.

- i. The study helped to reduce on the causes of labour turnover in small scale businesses.
- ii. The study also helped to identify the value that employees contribute towards the performance of businesses.
- iii. The study widened the researcher's understanding and knowledge about the effect of labour turnover on the performance of employees.
- iv. The study further helped to identify other factors that may affect employee performance other than labour turnover.

1.8 Research Justification of the Study.

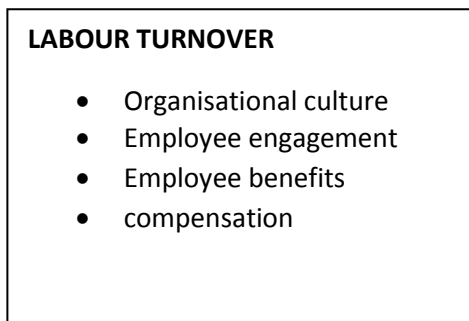
Much as there have been several studies carried out in regards to labour turnover, few of them articulate to specifically its effect on the performance of small scale businesses. More so among the few studies that have been carried out, none of them has been particular to

Sanlam General insurance company which has made researchers miss out on the way the company handles its employees to having a low turnover rate.

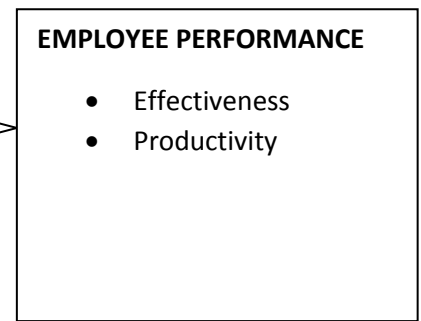
On the other hand, effectiveness and productivity cannot be attained without the commitment of employees which is achieved through making the employees to feel valued by the employer. This study will thus help managers and human resource personnel of Sanlam General insurance company learn how to bundle their employees in order to further lower the rate of labour turnover to initiate better performance in the organisation. The researcher will therefore be carrying out research on this topic to know the causes of labour turnover and how it affects the performance of small scale businesses.

1.9 Conceptual Framework.

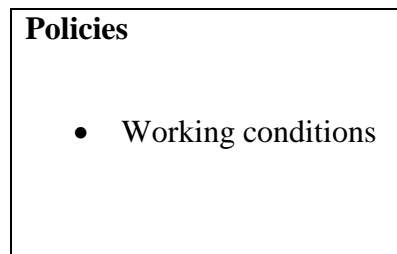
Independent variable



Dependent variable



Moderating variable



Source: Federal Enterprise Architecture (2005)

The conceptual frame work explored the concepts of labour turnover, organisational performance and the underlying relationship between the two concepts. As indicated, labour

turnover is influenced by the organizational culture, employee engagement, and compensation and employee benefits. The framework revealed that labour turnover affects the effectiveness and productivity of the organisation. However the policies used by the organisation for example the working conditions which in this case are treated as a moderating variable either deter or support the result that labour turnover can affect the performance of Sanlam General insurance company.

1.10 Conclusion

This chapter will emphasize on the causes and effects of labour turnover on the performance of small scale businesses. The next chapter will critically emphasize more about the authors' say about causes and effects of labour turnover on performance of small scale businesses.

1.11 Definition of Key Terms.

Salary: This is the monthly payment given to employees in white collar job positions.

Wage: This is payment given to employees in blue collar job positions.

Labour turn over: is the ratio of the number of employees that leave a company through attrition, dismissal or resignation during a period to the number of employees on the payroll during the same period.

Labour Turnover Intension: This is likelihood of staff leaving the organization.

Performance: performance is an actual outcome of an organisation measured against the output targets or goals

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter describes the past and current views of other researchers from existing information sources on the causes and effects of labour turnover on the performance of employees in small scale businesses. This will enable the researcher to systematically and critically examine the key aspects about labour turnover on the performance of small scale businesses.

2.2 Theoretical Framework

The existing theory that provides the relationship between labour turnover and performance is mostly based on Salop (1979) where workers are identified and firms incur turnover costs. The theory (profit model) analyses and extension to the Salop model distinguishing newly hired employees and existing workers.

A higher turnover rate implies that the proportion of new hires in the workforce is large. If this causes a large a sufficiently large increase in productivity and wages cannot be chosen unilaterally, then an increase in turnover can increase profits.

2.2.1 Salop/Profit Model.

Output depends on the input of newly hired and incumbent workers (Garino and Martin, 2007). According to the previous authors, job specific human capital and the imperfect substitutes depends on the new hired employees and incumbents. The production function is given by $Y=F(h, I, \lambda, \theta)$

Where h =number of new employees hire

I =number of incumbents

λ =exogenous production-specific factors

θ =elasticity of substitution between incumbents and new hires.

Firms pay workers the same wage, $w > 0$ and the faced unit cost of hiring and training new workers is $r > 0$ (Garino and Martin, 2000). The per-period turnover rate (proportion of the existing workforce who quit) is a fixed function q of wages and exogenous factors inclusive is the market wage that workers expect to earn when they quit.

$q = q(w, \theta)$ where $q_w < 0$, $q_{ww} > 0$, $q_\theta > 0$, $q_{\theta\theta} < 0$, $q_{w\theta} < 0$. In every period qN workers quit implying $h = qN$ and $I = (1-q)N$.

Profits are $\Pi = F(qN, (1-q)N, \theta, \lambda) - (w + t_q)N$

And if the firm chooses employment and wages at an interior then the first order conditions are $\Pi_N = qF_h + (1-q)F_l - (w + t_q) = 0$ or $\Pi_w = N(q_w(F_h - F_l) - (I + t_{qw})) = 0$

When new hires and incumbents are a perfect substitute then $F_h - F_l = 0$ and this causes the model to reduce to Salop (1979). The response of profits to turnover factors is then obtained by comparative statics $\frac{\partial \Pi}{\partial \theta} = \frac{\partial \Pi}{\partial q} \frac{\partial q}{\partial \theta} = N(F_h - F_l - t) \frac{\partial q}{\partial \theta} = N q_\theta < 0$

The negativity will only arise when a rise in θ can only increase profits (Garino, Martin 2007). New hires are significantly more productive than incumbents at a margin since $q_w < 0$ while at optimal wage, new hires are less productive and therefore an increase in θ reduces profits (Garino and Martin, 2007).

If the wage chosen by the firm is unilateral, there is only a first order condition for employment and this impacts the profits (Garino and Martin, 2007). In $q_w w_\theta + q_\theta$, w_θ is expected to be positive $q_w < 0$ and $q_\theta > 0$ while the sign of $(F_h - F_l)$ depends on the relative productivities of incumbents and new hires. The remaining term $t(q_w w_\theta + q_w) + w_t$ represent

the impact on profits of the change in total labour costs induced by the rise in θ which is self-ambiguous. Therefore $\Pi_{\theta} = \Pi_w w_{\theta} + \Pi_q q_{\theta} = N ((F_{\theta} - F_1 - t) (q_w w_{\theta} + q_{\theta}) - w_{\theta})$

Is ambiguous for high levels of q_w and F_{θ} , the impact of labour turnover on firm profits (performance) could be positive (Garino and Martin, 2007)

The Salop model though does not exploit the needs of employees to perform and hence managers may apply the expectancy theory and the goal setting theory.

2.2.2 Expectancy Theory

The expectancy theory may explain how and why behaviour is facilitated or restrained in the pre training, training, and post training processes as written by Yamnill and Mclean (2001). Expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance (Watson, 2006). According to the previous author, expectancy is based on probabilities and ranges from 0 to 1. If an employee sees no chance that effort will lead to the desired performance level, the expectancy is 0. On the other hand, if the employee is completely certain that the task will be completed, the expectancy has a value of 1. Generally, employee estimates of expectancy lie somewhere between these two extremes Latham, et al. (1994).

Expectancy theory has been recognized as one of the most promising conceptualizations of individual motivation (Ferris, 1977). Many researchers (Ajzen and Fishbein, 1977; Brownell and McInnes, 1986; Hancock, 1995; Warshaw, 1980) have suggested that expectancy theory can provide an appropriate theoretical framework for research that examines an individual's acceptance of and intention to use a system (DeSanctis, 1983). However, empirical research employing expectancy theory within an academy has been limited. Owing to the belief that academics' input is the root and source of academics' acceptance to the performance assessment (Taylor, 2002), it is reasonable to stand that meaningful and active participation of academics is essential and the usefulness of performance assessment data is severely

undermined unless academics are willing to exert effort to provide quality Lawler and Porter's model (1968) that demonstrated the motivational process in their version of an expectancy model of motivation which has three underlying components, including the

Following: Expectancy is the extent to which individuals feel an objective is achievable.

Instrumentality is applied to deciding if working towards the objective will achieve what is required. Valence is the subjective value placed on the attainment of the objective. Prior to investing effort the individual goes through a process of evaluating the value of rewards, the probability that effort will achieve results and the performance required. In their study of applied research based on motivation theory, Ambrose and Kulik (1999) argue that greater utility can be derived from drawing upon original models, such as Porter and Lawler (1967) rather than attempting to develop all-embracing integrated approaches.

Hence the Porter and Lawler approach links perception of value of reward as a function of Perceived effort required. There has to be believed that valued rewards will be achieved for successful outcomes, and perception that the rewards attained are equitable (not equal) is key to satisfaction, and positive or negative experience will influence future performance. By giving a comprehensive and integrative model concerning 10 actors, the Porter and Lawler Model has been proved a suitable framework for analysis and development, but not as a predictor of motivational success.

2.2.3 Goal Setting Theory.

The content of goal-setting theory was developed inductively over a quarter of a century (Locke and Latham, 1990). Based on extensive laboratory and field experiments conducted in a wide variety of settings using many different tasks, Locke and Latham presented their first comprehensive statement of goal setting as a theory in 1990, in contrast to goal setting as a technique. Research on goal-setting theory continues persistent with Mitchell and Daniels (2003) concluding that it "is quite easily the single most dominant theory in the field, with

over a thousand articles and reviews published on the topic in a little over 30 years.

The goal theory suggests two cognitive determinants of behaviour: intention and values. Intentions are viewed as the immediate precursors of human and the second cognitive process manifests in the choice or acceptance of intention and subsequent commitments to those goals (Lock and Latham, 1990).

Under the right conditions, goal setting can be a powerful technique for motivating organization members. Managers need to use practical suggestions when setting goals to enhance performance (Hendry, 2012).

According to Greenberg (2011), Goals Need to Be Specific, organization members perform at higher levels when asked to meet a specific high-performance goal. Asking organization members to improve, to work harder, or to

Do your best is not helpful, because that kind of goal does not give them a focused target. Specific goals (often quantified) let organization members know what to reach for and allow them to measure their own progress. Research indicates that specific goals help bring about other desirable organizational goals, such as reducing absenteeism, tardiness, and turnover (Locke & Latham, 2004).

Rampur (2009) suggests that goals must also be accepted since assigning them to organization members may not result into their commitment to those goals, especially if the goal will be difficult to accomplish.

Lee et al. (1997) showed that if goals are perceived as impossible, offering a bonus for goal attainment can lower motivation. Klein et al. (1999) found that commitment is most important and relevant when the goal is difficult. Goal commitment measures have high reliability and validity (Klein et al. 2001, Seijts & Latham 2000a). Locke and Latham (2004) argued that the effects of incentives and personality affect performance through personal goals, goal commitment. Kirkpatrick & Locke (1996) found that goals mediated the effect of

visionary leadership on performance. A meta-analysis by Zetik and Stuhlmacher (2002) revealed that negotiators who have specific, challenging, and conflicting goals consistently achieve higher profits than those with no goals. Consistent with the goal-setting theory, the higher the goal, then the higher the outcome received. No effect was found for participation in setting goals. Latham et al. (2002) updated the high performance cycle that explains how high goals lead to high performance, which in turn leads to rewards. Rewards result in high satisfaction regarding perceived ability to meet future challenges through the setting of even higher goals. High satisfaction is the result of high performance; it can lead to subsequent high performance only if it fosters organizational commitment, and only if the commitment is to specific challenging goals.

2.3 Labour Turnover.

Labour turnover is the ratio of the number of employees that leave a company through attrition, dismissal or resignation during a period to the number of employees on the payroll during the same period.

Levin and Kleiner (1992), identifies the background costs and causes of turnover in organizations. The previous authors go ahead to argue that the primary function of the manager in the control of turnover is observation of employee behaviour and performance to detect any changes representing job dissatisfaction. Levin and Kleiner (1992) stress the need of maintaining employee satisfaction and organizational commitment to employees. Porter (1973) critically examines research over the past 10-12 years concerning factors related to turnover in work situations. On a general level, job satisfaction was consistently and inversely related to turnover.

Labour turnover being the rate to which employees permanently exit the organization premises as a result of dis-satisfaction and lay down working tools making their activities no

longer available to the organization. Kochanski and Jim (2008) offer advice on how firms can get a better understanding of employee turnover. Companies need to determine turnover rates for several key categories including job performance and skill set Kochanski and Jim (2008). According to the previous authors, interviews with both new and former employees can provide valuable information and combating unduly high turnover will likely involve modification in at least one of compensation, benefits, work content, affiliation and the availability of career opportunities within the firm.

Percy (2005) observed that quits may be either functional or dis-functional to the organisation depending on the retained workforce. If those who have exited are most valuable, even one person discharged, retired or voluntarily resigned will mean a loss of human capital to the organization. Conversely, if those who exit are the least valuable future employees then even high exit rates may not be cause for an alarm.

Although the concept of labour turnover is widely used, variations in the definitions used are reflected in different methods of measurement.

Separation method

This is the most common measure used to indicate the firm's ability to retain staff (Argote and Epple 1990). It's calculated as an annual or six months figure showing the difference between the average number of people employed and the number of employees leaving the company expressed as a percentage. (Booth and Hamer, 2007)

$$\text{Separation method} = \frac{\text{number of leavers}}{\text{Average number of employees}} * 100$$

Although this measure is used, it does not have weaknesses since the meaning of percentages given will depend largely on the number of employees in the organization. (Long et al 2012).

The separation method though may be misleading in that the same turnover percentage may be obtained from different leaving patterns and moreover it only shows the number of employees leaving the organization and does not necessarily show how many jobs need to be filled. (Long et al 2012).

Stability index

An alternative and possibly more useful way of measuring turnover is by use of a stability index (Kreitner 2003). It's advantageous that it incorporates a measure of the proportion of the labour force that stay in employment over the years.

$$\text{Stability index} = \frac{L_n}{N * n} * 100$$

Where N=total number of employees

n = number of years over which the stability is being measured

L_n = number of total length of service of all present employees measured over the past n years.

According to Kreitner (2003) the formula given makes an assumption that the labour stock size remains constant over the period being measured which condition when satisfied makes the stability index a useful measure.

2.3.1 Employee Engagement.

The concept of employee engagement is not entirely new as many researchers and organizations have been studying it using different terminologies and definitions (Lockwood, 2007). Employee engagement has been defined as the work related state of mind involving vigour, dedication and absorption(Schaufeli and Bakker, 2004), job characteristics that

include performing well and saying good things about employers(Gubman,2004) and the extent of one's commitment(Lockwood, 2007). According to Smith et al. (2014) employee engagement has become a hot topic on recent years but despite this, there remains a paucity of research on the link between employee engagement and labour turnover. Therefore this means that little is known about the impact of engagement on turnover. Findings show that higher levels of employee engagement lead to reduced labour turnover hence realizing significant savings for the organization. More research is recommended for human resource professionals and leaders.

In the research conducted by Young (2015) on one of Hong Kong's leading organization(Hong Kong trade developments),there is a great body of evidence to suggest that low levels of engagement across an organization can lead to higher rates of employee turnover. According to Young (2015), 66% of highly engaged employees reported that they had no plans to leave the company while 3% of them were actively looking compared to 12% and 31% respectively for disengaged employees this implies that engaged employees have a high chance of remaining in the organization than disengaged employees. Further study of 23910 business units compared top quartiles and bottom quartiles engagement scores and found that those in the bottom quartiles averaged 31%-51% more employee turnover (Young 2015). Therefore highly engaged employees in the higher/top quintiles stick to their jobs compared to the employees in the lower quintiles who show high degrees of labour turnover.

Employee engagement is critical to the management and retention of talented employees in the organization Sonia et al (2015). Furthermore employee engagement can be achieved by managing global mobility in increasingly complex global workplaces, talent so that business results enhance (Sonia et al, 2015). Engaged employees are more committed to their work and feel connected to the success of their organization. In addition employees are more likely

to believe in their organization's values, mission and vision. Therefore employee engagement should be viewed as a long term commitment between the employees in the organization, each supporting the other in an era of increasing international operations. Employee engagement is an important strategy for long term organizational sustainability in international markets.

2.3.2 Employee Benefits.

Many workers expect to receive retirement benefits, sick leave and health insurance through their employers (Gregory, 2015) and failure to offer such benefits can make workers more likely to leave for a better opportunity. The US administration reports that employees at firms that offer benefits are about 26% less likely to quit in a given year than employees who don't receive benefits.

In addition, Firms that offer higher levels of insurance and retirement benefits generally experience lower rates of voluntary turnover (Sutton and Nancy1985). However employee benefits are only one of a complex set of interrelated factors that may influence labour turnover.

Results of the survey conducted by the US administration (2015) reported that the size of a firm and position of the employees may influence the relationship between employee benefits and labour turnover. Employee benefits appear to modify the quit behaviour of employees in large firms' considerably more than salaried employees. A significant relationship between low benefits and high turnover for salaried employees in small firms was not found. Therefore employee benefits may be a useful tool in managing retention and turnover. This tool may be most useful in reducing labour turnover among wage employees in large companies.

2.3.3 Organizational Culture.

For the past number of decades, most academics and practitioners studying organizations suggest the concept of culture as the climate and practices that organizations develop around their handling of people (Schein, 2004). Watson (2006) emphasizes that an important trend in managerial thinking in recent decades has been one of encouraging managers to try and concentrate on strong organizational cultures.

Further, organizational culture is viewed as a multifaceted abstraction with several dimensions which have varying degrees and directions of impact on employees 'behaviour. (Tsui et al, 2009). The main objective of organizational culture is to drive desired behaviours in your work force (Worldat 2000). Porter (1973) writes that in an effort to break down the global concept of job satisfaction, various factors in the work situation were analysed as they related to withdraw behaviour.

Ruth (2015) says high turnover and organizational culture have a difficult symbiotic relationship. High labour turnover creates fractured workplace relationships and an organizational culture that doesn't encourage long and productive working relationships. Building an organizational culture in a company with high turnover requires employers to develop methods that improve employee retention, benefits and training or two methods that may increase employee tenure (Ruth, 2015). The organizational culture present in high turnover industries leads itself to short lived relationships just with supervisors and managers but with co-workers.

According to the Society of Human Resource Management report (2015), a research was conducted in order to find out organizations with high rates of labour turnover due to poor organizational cultures and it was discovered that high turnover is common in retail, healthcare, hospitality and the arts. The HRM report (2015) identified that, jobs in these

industries often are low paying, highly stressful or both. In some cases, organizational or corporate culture generates high turnover even among the best paid and highest skilled workers and therefore companies with high turnover need to find out if their organizational cultures are contributing to the problem says Bolden(2014).

2.3.4 Compensation

The desired outcome of compensation is an employee who is motivated to do a good job (Hwang and Lorenzen, 2008). compensation according to (Lawler, 1990) is a foundational reward that is primarily financial in nature and satisfies financial needs for income. A clear and well thought through policy on compensation is needed in any organization (Armstrong, 2004). The objectives of any compensation function are to create a system of rewards that meet the needs of the employer and the employee alike Hwang and Lorenzen (2008). Most business owners put compensation at the top of the list and this is because few people are willing and able to work for free but the strategy should include an incentive compensation plan that is directly linked to the goals of your organization for that period (Armstrong, 2004).

2.4 Causes of Labour Turnover at Sanlam General Insurance Company.

Companies today generally recognize the important contribution that their employees play in delivering the services (Glebeek and Bax 2004). However low turnover is seen as an asset in the competitive world while high turnover is seen as a problem to be managed (Glebeek and Bax 2004). According to Hinkin and Tracey (2000) high employee turnover rates are not country specific but a worldwide epidemic.

Internal turnover involves employees leaving their current positions and taking new ones within the same firm/organization (Kenya Bureau of Labour Statistics 2009) for example;

Characteristics of the job. Employees are confronted with continuous crisis and a great deal of daily uncertainties (Brownell and Judi, 1998). Employees also experience jobs that are highly controlled, routine and monotonous (Lashley, 2000) which makes many employees yearn for another job in the area.

According to Taylor (2002), some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics including repetitiveness, challenge and capacity to elicit a sense of accomplishment. This therefore will force many employees to run for attractive jobs and leave the current ones (Taylor, 2002).

Demographics and biological characteristics of workers highly increase labour turnover. Mitra, A. (1992) demonstrated in his study about turnover that labour turnover is associated in particular situations with demographics and biological characteristics of workers. The study conducted by the previous authors had an important role in explaining the functioning of labour markets on the process of matching workers to firms and on the nature of the employment relationship. According to the International Labour Organisation (ILO), (2000) labour turnover patterns have important implications on wage and performance which affect the stay of workers on a particular job.

Rampur (2009) identifies that lack of benefits from the company to its employees causes many to leave the organization. Lack of potential opportunity for advancements or promotions makes employees leave the organization in favour of companies that may provide them with higher posts and increased compensation packages (Rampur, 2009).

Nankervis (1996) says that external factors exist outside the organization environment and are beyond control. Therefore the external causes could be influenced by;

Availability of alternative and highly paying jobs also increase labour turnover. One of the most common reasons given by employees leaving their current employment is the availability of higher paying jobs (Wood and Macaulay, 1991). The previous authors say that the availability of alternative jobs plays a role in turnover but this tends to be overstated in exit interviews.

Better pay elsewhere. Gupta and Shaw (2001) argue pay as the most critical outcome of organizational membership for employees. Most employees feel they are worth more than what they are actually paid (Wood and Macaulay, 1991). The first and obvious solution to the need for pay is to compensate employees within the possible wages or else the employees are likely to leave the organizations in search for better pay (Gupta and Shaw, 2001).

Strong local and regional economies also increase turnover in an organisation. Phillips and Connell (2003) propose that almost all industrialized nations and many emerging countries have experienced long economic expansions translating directly into new jobs which in turn create new opportunities for employees to leave their current employment.

The low unemployment rates in the country. Low unemployment rates lead to increased turnover because more jobs are available (Bolch, 2001). Whenever the actual unemployment rate falls to 5 per cent level or lower, it creates problems for employees seeking to fill job vacancies hence compounding the situation (Bolch 2001) and increasing labour turnover.

2.5 Strategies being carried out to reduce Labour turnover at Sanlam General

Insurance Company.

The chief executive officer of ZDonut Company, Zografos (2006) says that there are a host of issues focusing on employee turnover, good or bad. Zografos (2006) proves that turnover is at times good since new employees bring in more ideas and attitudes that keep the organization fresh and current.

According to Rampur (2009), employers would be able to retain and attract more and well qualified staff if the employers made it a point to offer competitive salaries. This helps solve problems of employees leaving due to low salaries. Offering of attractive benefit packages through the reduction of bureaucratic procedures by employees (Rampur, 2009) also helps in the reduction of labour turnover.

Offering of voluntary benefits (Nugent, 2009) helps further important objectives for both employers and employees. Voluntary benefits could be health care insurance or life insurance so as to improve employee retention which also addresses employee's growing concerns.

Pires (2009) also forwarded a human resource support and information portal giving steps like providing excellent supervision to employees and hiring employees with the right skills since this ensures compatibility which is critical to retention

The organization's capacity to engage, retain and optimize the value of its employee hinges on how well jobs are designed and the support shown to employees by management would motivate employees to stay in organisations (Meaghan and Nick. 2002).

Retention of employees by the organisation is a critical element of an organization's approach to talent management (Lockwood, 2006). Empirical studies such as Stovel and Bontis (2002) show those employers on average switch employees every six months. This

makes employees unstable at work places and therefore it's imperative for management to reduce at minimum the frequency at which employees are switched (Samuel and Chipunza 2009).

Martin (2003) looked at the effect of unions on labour turnover and found that unionism is associated with turnover. Therefore Martin (2003) suggested that lower turnover is as a result of the ability of unions to secure better working condition. Therefore according to the previous researcher, the relationship between lower turnover and unionization has been well established by researchers using both industry level and individual data

2.6 Organizational Performance.

Hendry (2012) writes that performance in organizations is a multi-dimensional concept whose complexity makes it difficult to be defined from a single perspective. This is because performance is a multifaceted organizational concept which cannot be measured using a single measurement tool. Measuring performance is necessary as it seeks to assess the value that employees bring into the organisation (Muhammad, 2013).

Many researchers have tried to establish the definition of performance and according to Kirby (2005), organizational performance is considered as an actual outcome of an organisation measured against the output targets or goals. Due to this definition, organisational performance has developed to be the most important issue that every organisational management is concerned about since it determines the ability of an organisation to continue with its operations (Upadhaya, 2014).

2.6.1 Labour Turnover and Productivity.

Page (2001) says that the escalation in the rate of labour turnover is a major concern for businesses and is clearly impacting on organisational performance. Mullins (2005) maintains

that the costs of recruiting and engaging new members of staff are considerable and this affects the direct costs for example advertising, agency fees and interview time. Robbins, Decenzo (2001) state that there are many hidden or indirect costs for example the training and supervision expenses on new entrants. Moreover customer irritation and low staffing morale leads to high staff turnover (Cohen, 2000).

The impact of labour turnover results in extra workload for the remaining staff member's performance and organisational effectiveness. Mathis and Jackson (2007), state that employees remaining in the organisation have to work extra hours in order to compensate for the work of those resigning from the organisation. The increased workload leads to low morale and high levels of stress which in turn leads to high levels of absenteeism and thus low productivity.

The rate of production per unit of time defines productivity (Munsaka, 2014). According to Muhammad (2013), employees experienced in producing a particular unit of output use less energy in producing the unit within a short period of time than non-experienced ones. This implies that high labour turnover which leads to large numbers of inexperienced employees within an organisation can adversely affect productivity within the organisation. Moreover, Upadhaya (2014) argues that employee skill and competence is the key determinant in productivity regardless of the length of period that the employee has been working for. In accordance to that, a case study conducted by Talent Management Alliance (2013) revealed that employees with lower job tenure struggled with attaining production goals than their experienced counterpart. Therefore it can be argued that high labour turnover impacts negatively on the organisation's productivity.

Factors that make up a company's productivity are complex and constantly changing. When employees are constantly leaving, it's difficult to maintain the same level of output. That's

mainly because new employees need time to train and get used to the work before they reach full productivity (Kathy, 2013).

2.6.2 Labour turnover and effectiveness.

Organisational effectiveness is the capacity of an organisation to produce the desired resources. Organisational effectiveness measures the big-picture performance of a business across a broad range of criteria.

Steers (2002) states that staff turnover is costly and disruptive since it reduces the output and it requires that schedules and programs be modified. A lot of money is lost in the case of employing other agency staff to come and help and yet it's paid on the organisation's (Sanlam general insurance company) coffers.

Robbins (2003) writes that in the United States, staff turnover is estimated at \$40 billion per year. There may be production losses while assigning and employing replacement staff (Ziel and Antoinette, 2003). Organisations experience a waste of time due to inexperienced replacement staff. Factors such as increased customer complaints about the service, decreasing quality of services, unfamiliarity of the replacement staff are faced.

Gardner (2009) also asserts that labour turnover may have devastating effects on services rendered by the organisation hence not meeting the customer demand.

Every organisation has certain predetermined goals and objectives that it looks up to and each time any of these goals is met, the organisation is considered effective in that regards

2.7 The moderating role of policies between labour turnover and organizational performance.

Considerable research has examined the influence of organisational policies on employee turnover and firm outcomes (Merchant, et al., 2003). Using the hazard analysis, employees who are eligible to good and favourable policies under the deferred policy company plan have significantly lower turnover and perform highly on the firm.

Shin-Rong (2012), writes that outside director experience on employee working conditions has an economically positive impact on a firms accounting and market performance. Steven(2000) notes that many companies today have attempted to identify innovative organisation strategies such as better working conditions for example large office space and good aeration that are directly linked to improving organisational performance

On the study carried out by Mingming (2015) on the US Company about performance and company policies, the study discovered an improvement in firm performance which was due to the different policies being carried to motivate the employees. The findings of Mingming (2015) are useful to boards of directors and human resource managers who are in charge of hiring executives, building top management teams, and deciding on the policies to insert in their organisations. The study therefore helps advance our understanding of the policy-performance linkage and the results suggest that the relationship between company policies and performance is contingent on other organisational factors.

The moderating role of policies between labour turnover and organisational performance has been highlighted to justify its principle role in this relationship but was not considered in this study. An exploration of the moderation role of policies between labour turnover and organisational performance could be carried out in a single study of this scope alongside an examination of the role of labour turnover and organisational performance. The study

therefore focuses majorly on the causes and effects of labour turnover on the performance of small scale organisations in Sanlam General Insurance Company.

2.8 Effects of Labour turnover on the performance of Small Scale Businesses.

The organisation's productivity and efficiency are affected. Experienced employees use less energy in producing a particular unit and in a shorter period than non-experienced ones, (Steers, 2002). Therefore high staff turnover leads to a large number of inexperienced employees within an organisation which affects the productivity within the company (Sanlam General Insurance Company) hence affecting performance.

Quality attributes and customer satisfaction is affected negatively by high rates of labour turnover. Quality attributes of products plays a central role in determining customer satisfaction. Organisations ought to ensure that they keep talented and experienced employees who will uphold the standards required in the organisation to maintain product and service quality, (Taylor, 2002). Therefore high labour turnover can negatively impact on quality levels within an organisation which leads to low customer satisfaction and hence rendering the performance of the organisation.

Product development and innovations are affected. In the light of increasing competition; it has become inevitable for organisations to invest in product development and innovations, (Zografos, 2006). Firms with experienced highly dynamic and innovative product line experience low staff turnover which indicates that labour turnover interferes with product development, efficiencies and innovations with in organisations. Inexperienced employees struggle with innovative creations unlike their experienced counter parts that can easily come up with new and more innovative product models because they are more used in their work. Therefore product development inclusive of low labour turnover can lead to a high level of

performance for the organisations inclusive of Sanlam General Insurance Company, (Stephen, 2006).

Decrease in the efficiency of the organisation. One of the simplest but highly impacting negative effects of turnover is decreased efficiency in the work place. Sanlam General in its article (2007) wrote that both profit margin and customer service were adversely affected by turnover. Less experienced workers are less likely to sell higher value solutions and deliver optimised service.

Unfulfilled daily functions. Many of the negative effects relate to performance quality, companies with higher turnover may struggle to complete all necessary or important daily functions. For instance, if it takes 10workers to complete a task in a day and only seven are currently employed in that area, the company has a figure out how to deal with the unfulfilled daily work requirements, (Ruth, 2015).

Turnover costs incurred by an organisation are increased. Every time an employee leaves and is replaced, there are costs associated for example recruitment costs, training costs among others, (Schein, 2004). Replacing a technically skilled employer or a high level manager can cost 3-5times the annual salary. Moreover it may not be the right employee who is to affect the performance of the organisation which may lead to low profits because the newly employed tend to be less efficient, (Mullins, 2010).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter specifically describes methods and procedures of the research. It will outline the research design, procedures, study population, subject selection, data collection instruments, data analysis and limitation of the scope.

3.2 Research Design

The study used correlational research design which is conducted when researchers want to explore the extents to which two or more variables co-vary (Creswell, 2008). It involved examining the effects and causes of labour turnover on the performance of small scale businesses. A correlational design is a measure of the strength of a relationship between two variables (Creswell, 2008). It helped the researcher to identify the effects and causes of labour turnover on performance of small scale businesses. Both qualitative and quantitative data collection approaches were also used. The quantitative approach was used to recognize the relationship between labour turnover and performance while qualitative approach was applied to identify the relationship between the variables.

3.3 Study Area

The research was carried out at Sanlam General Insurance Company which is located at plot 2 Park lane Upper Kololo, Kampala district. This is because of the need to provide a balanced view of the findings with limited biases.

3.4 Study Population

Burns and Groove (2001) define study population as a group of people who share common traits or attributes of interest to the researcher. The study population included eighty (80)

employees in the management of Sanlam General Insurance Company as an organization as far as its performance was concerned. This helped to easily establish how performance is affected by turnover

3.5 Sample Size

The researcher applied the statistical approach to determine the sample size from the population. A particular sample size was chosen because this made it easier to manage and generate findings. According to the Krejcie Morgan table (1970), sample sizes of 66 members of Sanlam General Insurance Company were selected.

Simple random sampling was chosen as the method of selecting the sample since it's simple and effective.

Random sampling is the taking of a number of independent observations from the probability distribution without involving any real population (Kothari 2004). Random sampling was used in selecting employees from the organization to participate in the interview and answering of questionnaires.

3.6 Sampling Technique

The research was carried out using stratified random sampling techniques. This involved the formation of different groups depending on their called stratum i.e. different departments into groups. This enabled the researcher to identify the sample sizes required to be used during data collection.

3.7 Data Sources

3.7.1 Primary Data Sources

This required the researcher to go to the field and obtain the necessary information needed for the study through the use of questionnaires and structured interviews from the relevant respondents and this aided in data analysis and report formulation.

3.7.2 Secondary Data Sources

The researcher was also required to use already existing information while solving the research problem. This information was found in publishes such as journals, magazines, newspapers, text books and internet.

3.8 Data Collection Instruments

3.8.1 Interview Method

It's a face to face conversation between the interviewer and interviewee where the interviewer asks questions and attains immediate response. While using this method, the researcher studied attitude, beliefs, motives and respondent behaviour. This was used to collect information from management and employees because it's a flexible method, less costly and first-hand information is availed.

3.8.2 Observation Method

Moses and Kelton (2007) are of the opinion that; "Observation implies the use of eyes rather than ears and voice. "This involves three processes of sensation, attention and perception. Sensation is gained through the sense organs which depend on the physical alertness of the observer. Attention is largely a matter of habit while perception involves the interpretation of sensory reports. Observation calls for all the five senses of smelling, testing, feeling, seeing

and hearing during the data collection process. It will involve the researcher observing employees as they perform their tasks so as to evaluate their workload and working conditions.

3.8.3 Questionnaire Method

This is a method of data collection where a set of questions about the research problem are logically and systematically arranged on a paper where a respondent will be needed to answer these questions. The questions will reflect the main objective of the research.

3.9 Quality Control of Research Tools

The researcher gave the research tools to research experts in order to test for reliability and the validity to enable efficient collection of the exact information needed by the researcher. The researcher therefore gave the research to the supervisor about labour turnover to acquire proper guidance.

3.10 Ethical Values

Before the collection of data started, the researcher went ahead and sought permission from the appropriate authorities to collect the data. First, the researcher got a letter from Uganda Martyrs University (Faculty of Business Administration and Management); the researcher then presented the letter to the department responsible for turnover in Sanlam General Insurance Company seeking for recommendation to collect data.

3.11 Limitations that were encountered during the study

Managerial and employee resistance made the getting of results difficult. This is where organizational employees feel insecure to release information about their compensation rates and inconvenienced limiting their production levels as researchers tend to consume a lot of time which would be of great use to the organization.

Difficulty in calculating the findings since the research was done in only one case study. It was difficult to ensure reliability of tools and methods of data collection since the researcher used test-re-test method. The respondents were not willing to answer the same questions over and over again.

Employees' Information confidentiality and fear about the organisation's information. This is where the organization attaches great importance in terms of security to some data sources. For example, Sanlam General Insurance Company refused to avail the researcher with the employee turnover rate structure and this made it difficult to diagrammatically show how wages are determined in this organization.

Respondents being suspicious of the researcher and did not answer some questions. Some employees look at researchers as government spies who will need to increase their income taxes. This bad perception affected the data collection as some respondents were never willing to disclose private information.

Departure of some employees from their jobs due to occupational demands made the research difficult. This is where employees have to move to fields as these are their areas of work. This made data collection difficult as these employees were hard to locate.

3.12 Conclusion

The key issues addressed in this chapter include a clear study area and population. The sampling technique that will be used include stratified random sampling that will help in choosing the stratum/ population and later simple random sampling will be used in identifying the sample from the each stratum. The employees and HRM will be the key informants in this study. Structured questionnaires will include both closed and open ended questions that will be used to collect/gather information.

The next chapter (chapter 4) will present the data analysis and interpretation of the findings.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This chapter sets out to give the findings of both the qualitative and quantitative data used in the study. A detailed analysis, interpretation and discussion of the findings are done. The discussion points out the implications of the results to the company. Major points of discussion are job satisfaction, employee's engagement to the job, employee benefits and the company's policies in their relation to how they affect the performance of the organisation.

4.1 Demographics of the Study Population.

Sufficient personal information is necessary in research so as to inform the readers about the nature of the people from whom data was collected. Demographics included the gender, age group and the level of education of the respondents.

4.1.1 Gender of respondents

Table 1 showing the gender of respondents

Gender					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Male	37	56.1	56.1	56.1
	Female	29	43.9	43.9	100.0
	Total	66	100.0	100.0	

According to table 1, out of 66 respondents, 56.1% of the respondents were male while 43.9% were females. The male respondents were more than the female respondents and this was because Sanlam insurance has more male employees than female employees. According to the employee annual report (2015) of Sanlam General Insurance, Chairman Valli Mousa

wrote that male employees are more productive and have a less turnover in the organisation than their female counter parts.

4.1.2 Age group of respondents.

Table 2 showing the age group distribution of the respondents

Age group bracket					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	18-24	16	24.2	24.2	24.2
	25-34	27	40.9	40.9	65.2
	35-44	18	27.3	27.3	92.4
	45-55	5	7.6	7.6	100.0
	Total	66	100.0	100.0	

According to the table 2, of the 66 respondents, employees in the age bracket of 25-34 years contributed highly in the research with a percentage of 40.9 which means that the organisation's employee's ages range within 25-34 years. This could also be due to the fact that these employees have just been recruited into the organisation. The age bracket of 35-44 carried a percentage of 27.3% and the age bracket of 18-24 had a percentage of 24.2% while the age bracket of 45-55 had the least percentage of 7.6%.Upadhaya (2014) argues that employee skill and competence is the key determinant in productivity regardless of the length of period that the employee has been working for. This indicates that Sanlam insurance prefers the use of young employees who are more competent and with new skills than the old employees

4.1.3 Level of education.

Table 3 showing the level of education of the respondents

level of education					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Diploma	9	13.6	14.5	14.5
	Bachelor	36	54.5	58.1	72.6
	Master degree	16	24.2	25.8	98.4
	Higher degree (Ph.D.)	1	1.5	1.6	100.0
	Total	62	93.9	100.0	
Missing	System	4	6.1		
Total		66	100.0		

According to table 3, of the 66 respondents of Sanlam general, the Bachelor holders are more with a percentage of 58.1% while the employees with a master degree carry a percentage of 25.8. The organization also employs Insurance loss assessors, CII (Certified Institute of Insurance) and ACCA holders. The bachelor holders are 43.6% more than the diploma holders which means that the organization mostly uses employees who have attained more skills and experience than low skilled employees to increase productivity since Muhammad (2013), says that employees experienced in producing a particular unit of output use less energy in producing the unit within a short period of time and increase productivity easily than non-experienced ones.

4.2 Work background and experience.

Table 4: Showing the working background and experience of the respondents in Sanlam insurance company

Work background and experience					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Less than 6 months	6	9.1	9.1	9.1
	1 year	14	21.2	21.2	30.3
	2-4 years	22	33.3	33.3	63.6
	5-7 years	17	25.8	25.8	89.4
	8-10 years	3	4.5	4.5	93.9
	above 10 years	4	6.1	6.1	100.0
	Total		66	100.0	100.0

Table 4 shows that out of the 66 respondents, employees who have worked in the organisation for 2-4 years are the most with a percentage of 33.3% compared to the employees who have worked in the organisation for 8-10 years who carry a percentage of 4.1%. This implies that employees between 2-4 years are more engaged to the organisation and therefore attain experience so fast than employees who have worked in the organisation for 8-10 years who don't mind about their engagement to increase productivity since Upadhaya (2014) argues that employee skill and experience is experienced in new entrants who do not think of leaving the organisation soon.

4.3 Employee Job Satisfaction and Performance.

4.3.1 Satisfaction of employees.

Table 5: showing the extent of employee's satisfaction to the job

satisfied with job					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	2	3.0	3.0	3.0
	Neutral	6	9.1	9.1	12.1
	Agree	24	36.4	36.4	48.5
	Extremely agree	34	51.5	51.5	100.0
	Total	66	100.0	100.0	

According to table 5, of the 66 respondents, 34 of the respondents extremely agree with a percentage of 51.5% that they are satisfied with the job they are doing compared to the 2 employees with a percentage of 3.0% who are not satisfied with the job.

In accordance to the interview carried out, the respondent employees explained that their satisfaction is due to the company's good reward system and career development opportunities. Therefore employee benefits may be a useful tool in managing retention and turnover. This tool may be most useful in increasing satisfaction and reducing labour turnover among wage employees in large companies Gregory (2015)

4.3.2 Recognition, responsibilities and promotions offered to employees.

Table 6 showing whether employees are recognized, given more responsibilities and promoted to upper level positions been recognized, more responsibilities

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.0	3.0
	Disagree	5	7.6	7.6	10.6
	Neutral	18	27.3	27.3	37.9
	Agree	28	42.4	42.4	80.3
	Extremely agree	13	19.7	19.7	100.0
	Total	66	100.0	100.0	

In reference to the table 6, Most of the employees (28) of Sanlam insurance company agree that they have been recognition and given responsibilities. This implies that the company recognises and gives its higher positions to its employees. This is one of the reasons as to why they are satisfied with the job.

According to the face-to-face interview carried out, 2 of the 5 respondents where promoted from employees to department supervisors. According to Robbins (2003) recognised employees are easily satisfied with the organisation and more effective and this reduces on the rate of labour turnover in the organisation.

4.3.3 Whether organizational culture motivates employees.

Table 7 showing employees' response to organizational culture

organizational culture motivates					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	1	1.5	1.6	1.6
	Neutral	13	19.7	20.3	21.9
	Agree	22	33.3	34.4	56.2
	Extremely agree	28	42.4	43.8	100.0
	Total	64	97.0	100.0	
Missing	System	2	3.0		
Total		66	100.0		

According to the table 7 above, findings show that 28 employees of the 66 respondents extremely agree that the organisational culture of the company motivates them to do more work. In the interview carried on the human resource manager, she said that the company uses a favouring organisational culture which has helped the organisation in retaining most of its performing employees. According to Sanlam's human resource manager, when the organisational culture is conducive for employees, it increases on their satisfaction to the job and these forces them to increase productivity hence increasing performance.

4.3.4 Employees engagement in decision making

Table 8 showing employees' engagement in decision making

employees engaged in decision making					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	13	19.7	19.7	19.7
	Disagree	12	18.2	18.2	37.9
	Neutral	12	18.2	18.2	56.1
	Agree	20	30.3	30.3	86.4
	Extremely agree	9	13.6	13.6	100.0
	Total	66	100.0	100.0	

In reference to table 8, findings show that Sanlam general insurance company engages most of its employees in decision making. This is shown by 20 of the 66 respondents agreeing that they are engaged in decision making with a percentage of 30.3% compared to the 12 employees who disagree that they are engaged with decision making. Engaged employees are able to give their views on the organisation which makes them satisfied fact that they are aware that their views are listened to hence increasing performance. This is also supplemented on by Young (2015) who say that there is a great body of evidence to suggest that high levels of engagement across an organization can lead to high rates of employee satisfaction reducing on the rates of employee turnover.

4.3.5 Supervisors encouragement and appreciation of work

Table 9 showing whether supervisors encourage and appreciate the employees work.

supervisor encourages					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	14	21.2	21.2	21.2
	Neutral	16	24.2	24.2	45.5
	Agree	18	27.3	27.3	72.7
	Extremely agree	18	27.3	27.3	100.0
	Total	66	100.0	100.0	

As data shown in table 9, of the 66 respondents, 18 of the respondents extremely agree that supervisors encourage and appreciate their work. By supervisors encouraging and appreciating employees work, it shows an amazing aspect of the organisation since this leads to the low-cost or high-return ingredients (Woolford, 2001). Therefore Sanlam general insurance company's high returns come from the facts of encouragement of employees since they are satisfied.

4.3.6 Organizational training to new employees.

Table 10 showing the percentage at which new employees are trained at the job.

Organization gives training

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.0	3.0
	Neutral	5	7.6	7.6	10.6
	Agree	18	27.3	27.3	37.9
	Extremely agree	41	62.1	62.1	100.0
	Total	66	100.0	100.0	

As shown by table 10, Sanlam favours new employees by giving them training so that they are aware of how to perform in the organisation. This is shown by the 41 out of 66 respondents who extremely agree with a percentage of 62.1% that the organisation gives training to new employees compared to the 3% of the employees who strongly disagree. In an interview carried out, all the respondent employees agreed that the organisation trains its employees at no cost. Giving of new employees training helps the new hires to be confident with their work environment (Armstrong, 2004). This leads to employee satisfaction and hence leading to high performance in the organisation.

4.4 Employee engagement and performance.

4.4.1 Work environment and organizational culture motivate employees to perform

Table 11 showing whether the work environment and organizational culture motivate employees to perform.

Work environment and organizational culture motivates me

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	2	3.0	3.0	3.0
	Neutral	8	12.1	12.1	15.2
	Agree	24	36.4	36.4	51.5
	Extremely agree	32	48.5	48.5	100.0
	Total	66	100.0	100.0	

According to the table 11, out of the 66 respondents, 32 of the respondents with a percentage of 48.5% extremely agree, while 2 respondents with a percentage of 3.0% disagree. The large difference of 45.5% between extremely agreeing employees and disagreeing employees is discussed by Ruth (2015) who says that high turnover and organizational culture have a difficult symbiotic relationship therefore the employees who were comfortable with the organisation culture left the organisation leaving those employees who are satisfied with the culture. In the interview carried out, one of the interviewee characterised Sanlam's work environment as that of support amongst employees. The clear communication channels and decision making inclusive of co-operative staff characterises the work environment. This therefore means that a favouring working environment inclusive of a favourable

organisational culture helps employees remain engaged to their jobs and hence increase productivity.

4.4.2 Whether the reward package and benefits increase productivity.

Table 12 showing whether reward packages and benefits increase productivity.

reward package and benefits encourage me					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	4	6.1	6.1	6.1
	Neutral	24	36.4	36.4	42.4
	Agree	20	30.3	30.3	72.7
	Extremely agree	18	27.3	27.3	100.0
	Total	66	100.0	100.0	

According to table 12, the research carried out shows that reward packages may or may not be a factor that engages employees in their jobs simply. To a large extent though, reward packages and benefits encourage employees. This is evidenced by the small difference of 6.1% between neutral employees and those agreeing compared to the large difference of 30.3% between neutral employees and those disagreeing. This is also seen through the face-to-face interview with the human resource manager which shows that the organisation uses the Key Performance Indicators (KPI) to appreciate employees and increase productivity. According to Stephen (2006), reward packages provide a number of important functions in the organisation including motivating and active participation of organisational members. Therefore the increased productivity in Sanlam depends on the reward packages.

4.4.3 Receiving of additional incentives

Table 11 showing the mean at which employees agree that the organisation offers incentives to its employees.

Additional incentives for better performance

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.0	3.0
	Disagree	5	7.6	7.6	10.6
	Neutral	9	13.6	13.6	24.2
	Agree	12	18.2	18.2	42.4
	Extremely agree	38	57.6	57.6	100.0
	Total		66	100.0	100.0

The statistics in table 11 show that 38 employees of the 66 respondents agreed that the organisation gives its employees additional incentives. By the organisation offering additional incentives like health insurance, transport allowance and housing allowance, it makes many employees to remain engaged to their jobs since incentives show the company's need and appreciation of its employees. Companies that don't match/exceed the level of incentives offered have a difficulty in attracting and retaining top worker (Wordat, 2000).therefore increased/additional incentives leads to increased productivity among the employees hence increasing the employees' performance.

4.4.4 Supervisors constructive and regular feedback.

Table 12 showing supervisors' constructive and regular feedback

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
supervisor's gives constructive and regular feedback	66	2.00	5.00	3.3333	1.07178
Valid N (list wise)	66				

According to table 12, of the 66 employees who participated, a mean of 3.33 was calculated which shows that employees are undecided if their supervisors give constructive feedback though the standard deviation statistics show that most of the employees disagree. Regular feedback puts employees on tension which increases tension when performing (Kristan, 2007) therefore constructive feedback does not need to be regular in order to increase performance. This therefore means that Sanlam gives constructive feedback though at appropriate times to reduce tension among employees and increase performance.

4.4.5 Job rotation and job scheduling lead to increased performance

Table 13 showing if job rotation and job scheduling enhance performance.

Job rotation and scheduling enhances performance

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	4	6.1	6.1	6.1
	Disagree	26	39.4	39.4	45.5
	Neutral	10	15.2	15.2	60.6
	Agree	15	22.7	22.7	83.3
	Extremely agree	11	16.7	16.7	100.0
	Total	66	100.0	100.0	

According to the table 13, of the 66 respondents, 26 employees disagreed with a percentage of 39.4% that job rotation and scheduling enhances performance. While only 11 employees extremely agreed with a percentage of 16.7%. Kenneth (2009) writes that job rotation may be characterised as an intrinsic reward and these rewards are difficult to be put on a level that satisfies employees. Therefore most employees disagreed because they are not satisfied with the company's job scheduling and rotation procedures towards their performance in the organisation.

4.5 Employee Benefits and Performance.

4.5.1 Personalized gifts increase performance.

Table 14 showing whether personalized gifts increase performance.

Personalized gifts increases performance

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.1	3.1
	Disagree	14	21.2	21.5	24.6
	Neutral	17	25.8	26.2	50.8
	Agree	20	30.3	30.8	81.5
	Extremely agree	12	18.2	18.5	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

According to table 14 above, of the 66 respondents, 20 respondents with a percentage of 30.3% agreed that personalised gifts increase performance while 25.8% were undecided. 21.2% of the employees disagreed while 18.2% extremely agreed though 3.0% extremely disagreed. Many workers expect to receive retirement benefits, sick leave and health insurance through their employers (Gregory, 2015) and failure to offer such benefits can make workers more likely to leave for a better opportunity. This therefore means that Sanlam offers personalised gifts as a benefit to retain employees with skills and knowledge so as not to lose them through turnover hence increase performance.

4.5.2 Improved performance leads to increase salary.

Table 15 showing the frequency of whether increased performance leads to increased salary.

Improved performance leads to increased salary

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	5	7.6	7.7	7.7
	Neutral	11	16.7	16.9	24.6
	Agree	18	27.3	27.7	52.3
	Extremely agree	31	47.0	47.7	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

In the table 15 above, of the 66 respondents, 31 respondents with a percentage of 47.7% extremely agreed that an increase in performance leads to an increase in salary at Sanlam insurance though 7.7% of the respondent disagreed. An extrinsically motivated person will work on a task they do not particularly care for simply because of anticipated satisfaction. (Bret, 2008). This implies that when employees are appreciated for the work they do, more efforts from them will be noticed hence increasing their performance more.

4.5.3 Minimum working hours to increase performance

Table 16 showing whether minimum working hours increase performance.

Minimum working hours makes me perform best

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.1	3.1
	Disagree	7	10.6	10.8	13.8
	Neutral	14	21.2	21.5	35.4
	Agree	19	28.8	29.2	64.6
	Extremely agree	23	34.8	35.4	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

According to the research carried out as represented by table 16, of the 66 respondents, only 2 employees extremely disagreed that minimum working hours lead to increased performance while 23 employees extremely agreed. According to Milkovich (2003), employees' decisions to leave and perform are influenced by non-work highly observed consequences like working hours. The attractiveness of the present job employment and alternative employment relationships in another organization is of a function to the future outcome of keeping a correct job schedule. Therefore this is assessed that minimum working hours in an organization attract the employees and other people to join the organization hence the organisations performance being improved since employees work when fresh and not tired.

4.5.4 Offer of bonuses to employees who refer new hires.

Table 17 showing statistics on the refer of new hires

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
bonuses to employees who refer new hires	65	1.00	5.00	3.0000	1.15920
Valid N (list wise)	65				

According to the statistics in table 17 above, a mean of 3.0 was calculated and a standard deviation of 1.159. In accordance to the standard deviation, employees extremely disagreed that the organization offers bonuses to employees who refer new hires. Armstrong (2000) advises organisations to choose new employees through the right procedures to prevent wrong choice of employees. According to results, Sanlam prefers selecting its employees other than employees' employees helping them refer new employees. This implies that it's not worthy giving bonuses to employees referring new hires.

4.5.5 A Pension scheme to reduce turnover

Table 18 showing whether the pension scheme motivates employees and reduces on turnover

pension scheme to motivate employees

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.1	3.1
	Disagree	8	12.1	12.3	15.4
	Neutral	30	45.5	46.2	61.5
	Agree	17	25.8	26.2	87.7
	Extremely agree	8	12.1	12.3	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

In reference to table 18 above, of the 66 respondents the undecided employees where more with a percentage of 45.5% though 17 employees with a percentage of 25.8% agreed that a pension scheme motivates employees. Many workers expect to receive retirement benefits, from their employers and failure to offer such a benefit can make workers more likely to leave for a better opportunity (Gregory, 2015) .This therefore implies that most of the employees prefer to stay in an organization when they are assured that at retirement the organization will give them a pension to cater for their expenses. Pension scheme therefore motivates employees to work more hence increasing productivity.

4.5.6 Job description demands more hours.

Table 19 showing whether job description requires more working hours to increase performance.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
job description demands more hours	65	1.00	5.00	2.3231	1.35909
Valid N (list wise)	65				

According to research in table 19 above, The Company does not need/demand many hours for employees to perform. This is evidenced by the mean of 2.3231 though a standard deviation of 1.359 was calculated showing that the employees disagreed that the job description demands more hours. This implies that for productivity to increase, the company's job description needs to have minimum hours since employees work with flexibility other than working when tired.

4.6 Company Policies and Performance.

4.6.1 Overworked at the job

Table 20 showing if employees are overworked.

overworked at my job					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	36	54.5	54.5	54.5
	Disagree	15	22.7	22.7	77.3
	Neutral	9	13.6	13.6	90.9
	Agree	4	6.1	6.1	97.0
	Extremely agree	2	3.0	3.0	100.0
	Total		66	100.0	100.0

According to table 20 above, of the 66 respondents, 36 respondents extremely disagreed to the idea that they are over worked at the job with a percentage of 54.5% while the least number (2) of employees agreed that they are overworked with a percentage of 3.0%. This implies that the organization uses policies that favour employees like giving employees the right amount of tasks to perform in order to leave them fresh so as to perform. The HRM report (2015) identified that, jobs that overwork employees are low paying and highly stressful jobs. this generates high turnover even among the best paid and highest skilled workers and therefore companies with high turnover need to find out if their organizational cultures are over working and stressing employees says Bolden(2014). Therefore by jobs not overworking employees calls for motivation hence high performance.

4.6.2 Sanlam pays employees for overtime

Table 21 showing whether employees are paid for overtime work.

Payment of overtime work.

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	26	39.4	39.4	39.4
	Disagree	9	13.6	13.6	53.0
	Neutral	12	18.2	18.2	71.2
	Agree	13	19.7	19.7	90.9
	Extremely agree	6	9.1	9.1	100.0
	Total		66	100.0	100.0

According to table 21, Sanlam does not use the policy of paying employees for overtime work and this is seen in the research carried out where among the 66 respondents, 26 of the employees with a percentage of 39.4% extremely disagreed that the organization offers payment for overtime work and only 6 employees agreed that the organization pays employees for overtime work. When employees are motivated towards overtime work through rewards, they are likely to produce more than what the organization expects (Gregory, 2015). This implies that employees rarely carry out overtime work which is likely to affect the performance of employees.

4.6.3 Provision of employee professional development opportunities

Table 22 showing whether Sanlam provides employee development opportunities.

Sanlam provides employees professional development

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Extremely disagree	2	3.0	3.0	3.0
	Neutral	6	9.1	9.1	12.1
	Agree	25	37.9	37.9	50.0
	Extremely agree	33	50.0	50.0	100.0
	Total	66	100.0	100.0	

According to table 22 above, Sanlam offers professional development opportunities to its employees. This is seen in the research where out of the 66 respondents, 33 extremely agreed with a percentage of 50%. By Sanlam providing professional development opportunities, it encourages employees to perform highly since they acquire better skills in the field. According to Kochanski, Jim (2008) by employees acquiring more knowledge in a particular field, they become an easy reference in the organization and therefore can easily increase the performance of a particular department. According to the interview carried out, 3 of the 5 respondents have taken up the CII course. This means that employees will be more experienced in insurance related jobs.

4.7 Motivation of employees and increase in performance

According to the face-to-face interview carried out,

“The organization increases its training opportunities, and trains most of its employees and encourages them to undertake further studies at a free cost. The company also carries out career development and counseling to the employees which keeps them motivated and hence increasing performance. The company also has a good reward system where it rewards its employees every end of year with promotions and gifts to the best performers and also motivates employees to remain motivated at work in order to increase performance”, interview; human resource manager, at Sanlam HR office at 10:30am.

This supports Armstrong (2004), who said that when an organization supports its employees through rewards, the company easily increases its performance and therefore by Sanlam encouraging employees to go for further studies

4.8 Procedures used to appreciate/reward employees.

According to the face-to-face interview carried out,

“Sanlam insurance company uses the KPI (Key Performance Indicators) when rewarding the employees”. An employee who reaches a standard level of the KPIs is able to get a reward at the end of the year depending on the work done. The organization also uses quarterly employee recognition. This is done democratically as fellow employees identify a high performer and this employee is rewarded by the organization, interview: human resource manager, human resource office; 10:50 am”

The use of performance indicators as identified by as a mode of rewarding/ compensating employees leads to increased motivation (Hwang and Lorenzen, 2008.). Therefore by Sanlam rewarding its employees helps to increase performance.

The results from the top management team interviewed (human resource manager and the 3rd line manager) revealed that the use of KPIs and employees who reach 40% of the KPIs is known as a performer. The organization also carries out half yearly performance appraisals and the performance gaps are identified in the different employees and an appropriate action is taken. This is later used to identify the employees who were able to bridge the gaps.

4.9 How the organization manages to retain its employees.

According to the human resource,

“The organization uses a good reward system which has highly motivated employees not to leave the organization and also the organization has put up a motivating organizational culture and also the organization also recognizes its employees yearly”, interview: 3rd line managers and human resource manager, 11:25am.

Watson (2006) emphasizes that an important trend in managerial thinking in recent decades has been one of encouraging managers to try and concentrate on strong organizational cultures therefore by the organisation deciding to concentrate on the organisation’s culture, this is likely to impact positively on the employees (Tsui, et al, 2009) hence more of the employees deciding to remain.

Though According to the interview, all the 5 respondents said,

“The best way to retain your job in Sanlam is by undertaking the new course of CII which molds employees to be competitive in the insurance industry. Following the organizational culture (punctuality) and Improving of one’s skills in the field can also help employees secure their jobs at Sanlam”, interview: employees, compound 3:00pm.

By employees being committed to their jobs will also highly effect their being retained at the job.

4.10 Challenges faced by employees at Sanlam and preventing them to fulfill their tasks effectively.

Out of the 5 participants interviewed, the main challenges preventing them from fulfilling tasks is,

“Verification of the authenticity of our (employees’) documents, the introduction of the new system Premier and Icon which are used during insurance tracking. The constant transfers from one region to another which has prevented us from being constant with their work”, interview: employees, employee’s office, 3:30pm.

The organisation should therefore check on the challenges that are making employees lazy and fearing to do their work.

4.11 Conclusion

This chapter presented results of the causes and effects of labour turnover on the performance of small scale businesses. It brought out factors like satisfaction, employee engagement and benefits. The respondents identified the challenges they face in meeting organisational duties and suggested how they can overcome them to sustain their jobs. The participants in the study gave useful information which could be used in the reduction of labour turnover. The following chapter will present the summery, conclusions and recommendations of the results.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter gives a summary, conclusion and recommendation for the study carried out on the causes and effects of labour turnover on the performance of small scale businesses. Recommendations are objectively selected from the study findings and the conclusions drawn.

5.1 Summary of findings

This has been drawn according to the three research questions.

5.1.1 What are the causes of labour turn over in Sanlam General insurance company?

In the assessment of the results, several factors were discovered that cause employees to leave their jobs in search for new ones for example lack of employee satisfaction, low employee engagement in the organization, lack of promotions and recognition in the organization, poor organizational culture, unconstructive supervisors' feedback, lack of employee benefits and the poor organizational policies. However the researcher found out that most of these factors must be provided to employees if they are to work in an organization for a long time though employees suggested that the highest cause of labour turnover is low employee satisfaction of the job and a poor organisation culture. According to Ruth (2015), high turnover and organizational culture have a difficult symbiotic relationship. High labour turnover creates fractured workplace relationships and an organizational culture that doesn't encourage long and productive working relationships therefore building an organizational culture in a company with high turnover requires employers to develop

methods that improve employee retention, benefits and training or two methods that may increase employee tenure.

5.1.2 In reference to the effects of labour turnover on the performance of Sanlam

General insurance company

According to the study results, the effects of labour turnover on the performance are loss of skilled manpower which means that the employees who remain are less effective which may distort the organizational performance. This was assessed from the individuals strongly agreeing that the organization gives training to new employees.

The fact that the organization offers an increased salary to employees with increased performance, labour turnover may lead to low salaries in the organization since highly performing employees may leave the organization forcing the managers to offer a low salary to the remaining staff since their performance is minimal which affects the performance of the organization since employees are not content with the organisation's payment.

With research, as employees leave, more employees are recruited into the organization and these contribute positively to the performance of the organization since these new recruits bring new skills to the organization.

When employees leave the organisation because of a poor organisation culture, this will force the organisation to adjust its organisation culture in order to reduce labour turnover. When the organisation culture is changed, employees still in the organisation also benefit from the changed policies. One of the simplest but highly impacting negative effects of turnover is decreased performance in the work place. Sanlam General in its article (2007) wrote that both profit margin and customer service were adversely affected by turnover. Less experienced workers are less likely to sell higher value solutions and deliver optimised service which highly affects the performance of the organisation.

5.1.3 What strategies are being carried out by organizations to reduce labour turnover in Sanlam General insurance company?

The study concluded that in order for labour turnover to be reduced, the organisation has decided to sponsor employees in development opportunities for example CII, give minimum hours during work to its employees and also increase salary to most of its employees. The organisation has also decided to give constructive feedback through the employee's supervisors, give additional incentives, reward packages and benefits though above all the organisation has decided to improve on its organisational culture which is highly helping to reduce labour turnover. The organisation further gives training to its new employees so that they learn how the organisation carries out its work. Encouragement of employees in decision making gives employees' courage since they are aware that the organisation minds about their decisions which help to increase on the employees' confidence hence reducing labour turnover. Through the human resource officer, the company is recognising its employees quarterly (every after four months) and at the end of the year. Pires (2009) also forwarded a human resource support and information portal giving steps like providing excellent supervision to employees and hiring employees with the right skills since this ensures compatibility which is critical to retention hence reducing labour turnover and increasing performance.

5.2 Conclusion

The results of the study have led to the following conclusions,

Labour turnover was mostly in employees who have worked for eight to ten years and above which means that the organisation is not losing young people who are energetic and innovative as indicated in table 3.

Labour turnover among the employees is mainly caused by lack of a pension scheme in the organisation as indicated in table 15 where employees in the organisation are not sure if they will receive a pension at the end of their working life span so that they remain and work for the organisation when they know that the organisation will favour them in old ages.

It is evident from the findings that the rates with a low turnover are employees from the university with diverse skills, training and interest. Most of them seem to be motivated by the additional incentives offered in order to increase their performance and the need to be retained and be promoted in the organisation so as to increase on their standards of living.

Furthermore, it was evident that most of the employees of Sanlam were highly expectant which reduces on their level of turnover and increases performance. This is evidenced in the Expectancy theory where (Watson, 2006), puts it that expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance. Therefore high expectations in employees highly increase the performance of the organisation.

It is also evident from the findings that Sanlam highly specifies the organisational needs to its employees in order to increase their performance. According to the goal setting theory, goals need to be specific if organisational members are to perform at higher levels (Greenberg 2011)

With the results it's further evident that organisations have to check on the strategies they employ if they are to reduce labour turnover to a minimal level for example, Rampur (2009) says that employers would be able to retain and attract more and well qualified staff if the employers made it a point to offer competitive salaries. This helps solve problems of employees leaving due to low salaries. Offering of attractive benefit packages through the reduction of bureaucratic procedures by employees also helps in the reduction of labour

turnover and increasing the performance. Therefore, training new employees and having an understandable job description has helped reduce labour turnover and increase performance.

5.3 Recommendation

On the premise of the above findings and conclusions, a number of recommendations were made and the main ones are;

Labour turnover affects both the employer and the employees. It is therefore important that the organisation develops policies jointly to reduce on the trends. High turnover therefore calls for the human resource to have an examination of employee selection procedures, management and planning procedures.

Whereas the old age groups are comfortable with the benefit packages, young people are interested in what they receive as their pays at the end of the month. Therefore I recommend management to consult more and come up with the best scheme. Armstrong (2003) writes that a flexible benefit system slows employees to exercise choice over a range of options within defined financial limits.

Managers should empower the human resource officers and supervisors of the different organisations to monitor their employees' performance so as to know which employees to train further and the ones to promote if they are to increase performance.

Human resource changes so fast due to the environmental changes it operates in. The world today does not want permanent jobs since organisations are outsourcing more and more. Therefore, further recommendation is that new horizons of labour turnover be conducted to test the effects and the new intervention on design and strategies.

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APPENDICES

Appendix I: Questionnaire

Dear respondent,

I am conducting a research on the Performance and Productivity of businesses at Sanlam insurance. I request you to please fill this questionnaire and kindly do not write your name or any feature that can be used to identify you anywhere on this questionnaire, the information provided shall be kept as confidential as possible and be used for academic purposes only.

Demographics of the study population

In this section, please put a tick in the boxes with the relevant answer(s).

Gender

a) Male

b) Female

What is your age group?

a) 18-24

b) 25-34

c) 35-44

d) 45-55

e) over 55

What is your level of education?

a) Diploma

b) Bachelor

c) Master degree

d) Higher degree (Ph. D)

Other professionals (specify).....

Work background and experience

For how long have you been working in this organisation?

a) Less than 6 months

d) 5-7 years

b) 1 year

e) 8-10 years

c) 2-4 years

f) above 10 years

Employees Job Satisfaction

Scale of 1 -5: 5= Extremely Agree; 4= Agree; 3=Neutral; 2 = Disagree; 1 =Extremely Disagree.

Particular	5	4	3	2	1
Am satisfied with my job					
I have been recognised, given more responsibilities and promoted to upper level positions					
The organizational culture motivates me to do more work					
Employees are engaged in decision making process of the organization					
My supervisor encourages and appreciates my work					
Organisation gives training to new employees					

Examining employee engagement and productivity

Scale of 1 -5: 5= Extremely Agree; 4= Agree; 3=Neutral; 2 = Disagree; 1 =Extremely Disagree.

Particular	5	4	3	2	1
Work environment and organisational culture motivates me to get my job done/increase performance					
The reward package and benefits encourage me to do more work and increase my productivity					
I receive additional incentives like health insurance, transport allowance and housing allowance at the job.					
My supervisor gives me constructive and regular feedback for better performance.					
Job rotation and job scheduling helps me perform better					

Employee Benefits and Performance

Scale of 1 -5: 5= Extremely Agree; 4= Agree; 3=Neutral; 2 = Disagree; 1 =Extremely Disagree.

Particular	5	4	3	2	1
Sanlam insurance offers Personalised gifts to increase performance					
Improved performance leads to increased salary at Sanlam insurance company.					
The company offers minimum working hours to me so as to perform best.					
Sanlam offers bonuses to employees who refer new hires.					
Sanlam uses a Company Pension Scheme so as to motivate employees and reduce on turnover.					
The company(Sanlam)'s job description demands more hours					

Company policies and performance

Scale of 1 -5: 5= Extremely Agree; 4= Agree; 3=Neutral; 2 = Disagree; 1 =Extremely Disagree.

Particular	5	4	3	2	1
Am overworked at my job					
Sanlam pays employees for overtime work					
Sanlam provides employee professional development opportunities					

THANK YOU FOR YOUR TIME AND INFORMATION PROVIDED TO ME TO ACCOMPLISH MY RESEARCH.

Appendix II: Interview Guiding Questions

Dear respondent,

I am conducting a research on the Performance and Productivity of businesses at Sanlam insurance. I request you to please fill this questionnaire and kindly do not write your name or any feature that can be used to identify you anywhere on this questionnaire, the information provided shall be kept as confidential as possible and be used for academic purposes only.

What steps have you taken over the past years to motivate employees and increase their performance?

.....

Can you tell me of the procedure you use to appreciate/reward your employees?

.....

What steps do you use to measure employee performance?

.....

How do you manage to retain your employees?

.....

How long have you been in this organisation?

.....

Have you been promoted or recognised? (What really motivates you to remain at Sanlam?)

.....

What will help you succeed and secure your job in the future at Sanlam?

.....

Can you please, tell how the working environment at Sanlam helps you perform and fulfil your tasks?

.....

(Can you remember and tell me) What are some of the challenges that are facing you and preventing you from fulfilling your tasks effectively at Sanlam Company?

.....

***THANK YOU FOR YOUR TIME AND INFORMATION PROVIDED TO ME TO
ACCOMPLISH MY RESEARCH.***