

## **Abstract**

Significant changes in the global economy have accelerated the movement of labour from one organization to another. Therefore the research aimed to bring a clear understanding and appreciation of the relationship between labour turnover and organizational productivity. The research was informed by the Needs theory which show that employees affiliate to different needs in order to be satisfied at work and the Equity theory which posits that the motive to act in a certain way is developed from the perception of fairness, comparing inputs and output received in comparison with other individuals in the organisation or industry. The research specifically concentrated on the nature, causes and impacts of turnover on productivity. The research was designed as a case study of Zimbabwe German Graphite Mines (Pvt) Ltd. A sample of 50 employees was selected through stratified random sampling. Data collection instruments employed in the study were structured interviews for executive management and questionnaires for junior management and operational employees. The research inquired using qualitative techniques. The thematic approach was used for data presentation and analysis, the themes for presenting and analysing data were derived from the research objectives. The research findings showed that the major causes of turnover include rewards, training and development opportunities, industrial relations and working conditions. Also the nature of labour turnover is often seen in the form of resignations and dismissals, the impact of such turnover on productivity varies according to the level of labour turnover, but generally there is a negative inverse relationship between turnover and productivity, thus as turnover rises productivity levels decrease. The recommendations put forward include introducing management succession programs and sponsoring skills development of junior employees to be cemented with retention strategies.

## **DEDICATION**

This dissertation is dedicated to my family; my parents Lovemore Charles Mawodzwa and the late Gladys Rosemary Mawodzwa, my sisters Kudzai and Juliet and my brothers Abraham, Joseph, Mathew and Emmanuel.

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**MIDLANDS STATE UNIVERSITY**

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**APPROVAL FORM**

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The undersigned certifies that she has read and recommends to the Midlands State University for acceptance; a dissertation entitled:

**AN ASSESSMENT ON THE IMPACTS OF LABOUR TURNOVER ON ORGANISATIONAL PRODUCTIVITY.**

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## **Definition of key terms and Acronyms**

### **Labour turnover**

According to Abasssi and Hollman (2000: 335), labour turnover “is the rotation of workers around the labour market between jobs and occupations, and between the states of employment and unemployment”.

### **Productivity**

According to Mathis and Jackson (2003: 75) “productivity is a measure of the quantity and quality of work done, considering the cost of the resources it took to do the work”.

According to Lepak and Gowan (2010:125), productivity “is the level of firm’s output (products and services) relative to inputs (employees, materials, equipment etc) used to produce the outputs”.

### **Acronyms**

HR – human resource

IR – industrial relations

ZGGM – Zimbabwe German Graphite Mines (pvt) Ltd.

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## **Introduction**

Mining is a diverse and complex industry of vital importance to the economy of Zimbabwe. In today's challenging economy, mining institution's human resource should be more nimble than ever respond to constantly changing internal and external pressures. Thus it is important to identify turnover intents as early as possible in order to enable planners to help implement courses of action. These pressures challenge their ability to achieve operational excellence, improve work force effectiveness, develop future leaders, and capitalize on the growth of emerging markets. As a result, in the mining industry retaining productive employees and attracting new talent is becoming critical. Benefits and rewards, learning and development are critical issues today to create the culture that attracts and retains the necessary skills. Employees are equally critical to the overall business success as are technology and other physical resources. The skill, knowledge, attributes, and brainpower that employees possess gives the organisation a sustained competitive advantage over others. Studying and understanding labour turnover then becomes crucial in trying to attract and retain productive employees.

In light of the increasing attention being paid to the concept of productivity as a facilitator of competitiveness, most organisations are becoming cautious of maximising utilisation of all form of resources they hold. Thus productivity can be interpreted as a measure of how efficiently an organization manipulates its resources, factors of production (human, capital, materials, energy, knowledge etc) within the production of goods and services. However, productivity is not only related to the fostering of maximum efficiency by doing things right but also involves the attainment of maximum effectiveness (i.e. reaching organisational goals) by doing the right things. Therefore everything organisations do or want to do relates to productivity, for there is not one top priority that cannot be tracked back to the search for productivity ([www.productivitycouncil.org.bb](http://www.productivitycouncil.org.bb)). That is how fundamental and essential the concept and its application is. The retention of labour is a critical component of organisational maintenance and sustaining a certain level of performance. New employees require a learning curve which implies a dip in productivity levels, hence controlling labour turnover is critical to sustaining certain desired levels of productivity.

## **Background of Study**

Labour turnover is mainly concerned with the movement of employees from one organization to another; this implies also the hiring of new employees by organisations and dealing with exit of employees. The reasons owing to this movement are numerous as would be discussed in this section according to what scholars gathered and how the researcher understands the subject and can be categorized into either pull or push factors. Abasssi and Hollman (2000), define labour turnover as the rotation of workers around the labour market between jobs and occupations, and between the states of employment and unemployment. Armstrong (2010) defined employee turnover as the ratio of the number of workers who left the organization during a certain given period, to the average number of workers employed during the same period.

Hill and Trist (1955) as cited in Beardwell (2004) identified three phases on labour turnover namely; induction crisis, differential transit and settled connection. Hill and Trist allude that employees are more likely to leave during the first few months if the relationship between the individual and the organisation is unsettled and insecure and less likely to leave if they manage to fit well hence the longer they stay in the organisation.

A huge concern to most companies' employee turnover is a costly expense especially in high paying job roles, for which the employee turnover rate is highest. According to Beardwell (2004) ,many factors play a role in the employee turnover rate of any company and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover.

## **Classification of Labour Turnover**

According to Armstrong (2010) labour turnover is often classified as voluntary or involuntary. Voluntary turnover occurs when an employee leaves by choice and can be caused by many factors while involuntary stems from management action or nature. Causes include lack of challenge, better opportunity elsewhere, pay, supervision, geographical location and pressure, death and retirements.

Armstrong further asserts that persistent labour turnover rates are costly both to individual organisations and the economy as a whole and adversely affect efficiency, productivity, profitability and morale. Gomez-Mejia, Balkin and Cardy (2002), states that turnover can be

categorized into three components namely; employer controlled, employee controlled and involuntary labour turnover.

**Employer controlled-** dismissals, redundancies, retrenchment and early retirements. Gomez-Mejia et al (2002) assert that this type of labour turnover is determined by the employer; the employee is not a chooser here but is forced to leave by the situation. Sometimes employee action or behavior at work will cause the employer to decide on terminating the contract for example poor performance by the employee may lead to dismissal. Employer controlled turnover is normally vital for the health of an organization. In the dynamic business environment characterized by complexities, there is greater need to respond to the changes occurring every now and then. This condition therefore necessitates the need for this type of turnover. Thus Leopold (2001) state that employer controlled turnover is an advantage since it helps by shedding off ageing workforce, which is normally associated with resistance to change as well as getting rid of poor performers.

**Employee controlled-** Gomez-Mejia et al (2002) asserts that employee controlled turnover occurs at the employees' free will. Reasons for this type of separation usually stem from dissatisfaction. Employees resign for many different reasons. Gomez-Mejia et al further argue that for more ambitious employees the job may not be challenging enough so they leave to find one which gives them the challenge they want. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them. On other occasions they are 'pushed' (due to dissatisfaction in their present jobs) to seek alternative employment. Thus according to Torrington and hall, employee turnover is a result of both 'pull' and 'push' factors. Another reason for voluntary turnover according to Leopold (2001) is a change in domestic circumstances outside the control of any employer, as is the case when someone relocates with their spouse or partner.

**Employer and employee uncontrolled** - long term sickness, normal retirement and death in service. This type of labour turnover occurs and is determined by nature. No one is able to control it but can occur whether both the employer employee wants or does not want.

### **Causes of labour turnover**

Movement of labour turnover is caused by factors categorised by Purcell (2000) as push and pull factors. The push factors are within the organisation for example poor management, inadequate career opportunities and job dissatisfaction which weakens the psychological link

between the employee and the employer. Torrington, Hall, Taylor and Artkinson (2011) assert that boredom, ineffective supervision, poor levels of employee involvement and industrial relations in the form of conflicts and personality clashes among individuals perpetuate labour turnover.

Mayhew (2013/ [www.smallbusiness.chron.com](http://www.smallbusiness.chron.com)) asserts that “employees involved in workplace conflict especially when management or human resources fails to investigate or resolve the issues leave for other employment or simply become disengaged employees whose performance suffers”. Conflicts may be due to personal clashes as well as departmental clashes, thus unresolved workplace conflict has a detrimental effect on employee morale which reduces performance, causes dissatisfaction and hence leads to turnover. Mayhew further assert that, in light of conflicts, employers take precautions by enforcing workplace policies that support fair employment practices and implementing procedures for employees to report incidents that often rise to the level of workplace conflict.

In terms of poor management and ineffective supervision, Torrington et al (2011: 219) asserts that “it is common to find managers and supervisors who are quick to criticise but slow to praise, too tied in up their own work to show an interest in their subordinates and who prefer to impose their own solutions without considering their subordinates views”. Therefore management mistrust of employees/subordinates discourages involvement and participation and this leads to job dissatisfaction which causes employees to leave the organisation and go where there might exercise their full potential freely.

The pull factors lie outside the organisation thus attraction from rival employers. Torrington et al (2011) allude that rewards and working conditions are often strong pull factors causing employees to leave their organisations. With reference to working conditions, Mayhew (2013/ [www.smallbusiness.chron.com](http://www.smallbusiness.chron.com)) asserts that “employees must have the necessary tools to perform their duties”. Working conditions include proper equipment, machinery and computer technology as well as adequate lighting, work space and proper work ergonomics. Poor working conditions due to physical elements for example heat and noise contribute to low productivity and overall job dissatisfaction. Therefore if employers leave the issues of working conditions unaddressed, employees will feel unappreciated and they ultimately leave the organization.

## **Measuring Labour Turnover**

Beardwell , Holden and Claydon (2004) asserted that the most common method of measuring turnover is to express leavers as a percentage of the average number of employees. Most organizations simply track their crude turnover rates on a month by month or year by year basis. The formula as cited in Armstrong (2010) is as follows;

$$\frac{\text{Total number of leavers over period}}{\text{Average total number employed over period}} \times 100$$

Armstrong asserts that the total figure includes all leavers, even people who left involuntarily due to dismissal, redundancy or retirement. It also makes no distinction between functional (that is, beneficial) turnover and that which is dysfunctional. The measure is most used effectively on a comparative basis and frequent provides the basis for external and internal benchmarking. Armstrong further alludes that turnover rate varies significantly between different sectors and industries and there is no single best level of labour turnover, so external companies are essential to gauge whether rates in an organisation are out of line with others in the same industry.

Beardwell et al (2004) posits that the main limitations of labour turnover index is that it is relatively a crude measure that does not provide data on the characteristics of leavers, their reasons for leaving, their length of service or the jobs they have left from. Therefore while it may indicate that an organisation has a problem, it gives no indication about what might be done to address it. On the other hand Beardwell et al (2002) attributes that limitations about location of leavers within an organisation can be addressed to some extent by analysing turnover rate at department or business unit level or by job category. Thus any areas with significantly above or below organisation or job category averages can then be subject to further investigation. Purcell (2000) also concluded that organisations that require entry level employees to have few skills are likely to experience higher turnover rates. Therefore he seconds the notion that it is important that turnover rates be computed by work units, departments because some imbalances maybe in one or two particular departments.

According to Sahdev, Vinnicombe and Tyson (1999) as cited in Beardwell at al (2004) organisations with lower turnover rates can experience problems if people have left from critical jobs or from posts that are difficult to fill up. On the other hand high turnover is not necessarily a problem in circumstances where an organisation is seeking to reduce costs or reduce the number of employees. Hence not all turnover is negative, some workforce losses

are quite desirable especially if those workers who leave are lower performing and less reliable individuals.

According to Beardwell et al (2004) “there are some drawbacks with quantitative methods of assessing turnover rate is that they do not provide information on the reasons why employees are leaving the organisation”. Information gathered may show that highest proportion of people leave in the first six months but the information on its own unit does not show whether its due to poor recruitment or induction, or nature of the job, management style or other factors. Therefore quantitative methods do not indicate direction for those planning about how problems might be addressed.

Beardwell et al (2004) asserts that there are also qualitative measures for labour turnover; investigations for labour turnover are usually undertaken through exit interviews and leaver questionnaires. Exit interview are normally conducted soon after an employee has resigned. Mathis and Jackson (2003) argue that the benefits of interviews are that they can investigate reasons for leaving, identify factors that could improve the situation in the future and gather information on the terms and conditions offered by other organisations. Normally exit interviews collect information on reasons for leaving, conditions under which the employee would have stayed, the improvements which the organisation can make for the future and the pay and benefits package in the new organisation. However, Beardwell et al (2004), assert that the interviews may not discover the real reason why that employee would be leaving, either because the interviewer fails to ask the right questions or to probe sufficiently or the employee may be reluctant to state the real reason in case it would affect the future references or cause problems for the colleagues who remain with the organisation.

Gomez-Mejia et al (2002) contributed that attitude surveys can be used to identify the key push factors of labour turnover; the survey helps the organisation to identify potential problems experienced by existing employees as compared to the information given by those who have left by way of exit interviews. Torrington et al (2011) asserts that evidence suggests that push factors are a great deal more considerable in most resignations than most managers appreciate. It is relatively unusual for people to leave jobs in which they are happy, even when offered higher pay elsewhere. According to Beardwell et al (2004) any response given by employees would be proactive than reactive and on the other hand it means that organisations can make problems worse if they do not act on the findings. Thus telling employees that an organisation cares enough to get their opinions and do nothing can worsen

the negative feeling that already existed or generate feeling that were not present before. Therefore attitude surveys require commitment from management to act on the findings.

Bevan, Hughes and Patterson (1997) as cited in Gomez-Meija et al (2002) asserts that risk analysis which investigates the likelihood that an individual will leave the organisation is also helpful when studying the labour turnover in organisations. Bevan et al (1997) attributes that the consequences of any lost individual are usually determined by their position in the organisation, performance levels and the ease with which they can be replaced. Statistically, people who are younger better qualified and who have shorter service, few domestic responsibilities and relatively low morale is more likely to leave the organisation. Thus Gomez-Meija et al (2002) also recommend the use of risk analysis because it enables the organisation to channel resources or action to the people it would be costly to lose.

### **Impacts of Labour Turnover to an organisation**

Although many organisations view labour turnover as negative, Gomez et al (2002; 204) argue that “labour turnover has several benefits, when turnover rate is low, few new employees will be hired and opportunities for promotion are sharply curtailed”. A persistently low turnover rate may have a negative effect on performance if the workforce becomes complacent and fails to generate innovative ideas. Thus Gomez-Meija et al (2002) argue that a certain level of turnover is a good and necessary part of doing business and the benefits include; reduced labour costs, poor performers are replaced, innovation is increased and opportunities for greater diversity are enhanced.

In terms of reduced labour cost, for example although separation costs in layoffs can be high, Gomez Meija (2002:204) asserts that “the salary savings resulting from the elimination can easily outweigh the expenditures of the layoff”. There is also replacement of poor performers, thus the central part of management is to identify poor performers and assist them to improve. Therefore if an employee does not respond to coaching or feedback, it may be best to eliminate them so that new (presumably more skilled) employee may be hired. Therefore an opportunity to hire a new employee may equally be a benefit to the organisation.

There is also an argument by Gomez Meija et al (2002) that increased innovation, creation of advancement opportunities for high performing individuals. An important source of innovation in organisations is new people hired from outside who can proffer a fresh perspective. On the other hand, there arise opportunities for greater diversity, the organisation have an opportunity to hire from diverse backgrounds and to re-distribute the cultural and

gender composition of the workforce. Increasing diversity allows the organisation to have competitive advantage while maintaining control over its hiring practices.

### **Managing labour turnover**

According to Huhman (2013/ [www.tlnt.com](http://www.tlnt.com) ), managing turnover entails managing employee expectations and motivations as well as valuing their knowledge and input to an organisation. Labour turnover is of great concern for organisations and the issue is not about the numbers of employees leaving but more importantly about who is leaving and the skills they hold. Thus Human Resource practitioners are not concerned about turnover of unskilled labour which is readily available but are concerned about turnover from skilled labour, hence putting forward strategies to control labour turnover.

According to Das (2011), putting exit barriers may help prevent employees from leaving the organisation for example through rewards and benefits. Das (2011) alludes that employees may decide not to leave their jobs regardless of poor remuneration for example if employers invest in family welfare by way catering for employees' health care and child education funding because it helps create employee loyalty to the organisation. In light of this, the aim will be to get the employees' minds to focus on their input or performance to the organisation. Das (2011) further asserts that "companies located in remote areas often try to win over the hearts and minds of the key employees by providing such liberal benefits which would cost any individual employee fortune if they tried to procure it on their own".

However in terms of rewards, Torrington et al (2011) asserts that there is a debate as to what extent pay levels and benefits reduces labour turnover. Bevan et al (1997) as cited in Torrington et al (2011) suggest that rewards are less important than other factors in decision making about quitting a job. The consent among researchers is that rewards play a role as satisfier but they will not have an effect when other factors are pushing an individual to leave an organisation. Thus Torrington asserts that pay is a hygiene factor rather than a motivator hence it can be a cause of dissatisfaction at work but not job satisfaction. In this regard also rewards management is an approach that can be easily matched by competitors and therefore organisations should focus on addressing other factors causing labour turnover like working conditions and other benefits.



Torrington and Hall (2000) assert that recruitment and selection should be controlled to cater for employee job expectations, thus prospective employees should get realistic job previews before they take up a job in an organisation. Also, hiring is crucial for the employer in managing their expectations from the employee for example they vet candidates to ensure that not only do they have the right skills but should have values that match with organisation's culture. The reason would be to ensure that new employees enter the organisation knowing that what they expect is what they will get because if expectations are not met, there would be dissatisfaction which will lead to labour turnover. Furthermore, according to Torrington et al (2011), training and development is an important aspect and there are two perspectives on training and development and labour turnover. Training and development helps enhance employee commitment and makes them less likely to leave than they would do if no training were offered. Purcell (2000) also urges that organisations which require high entry level employees are likely to experience higher turnover rates. On the other hand, training makes the employers more employable in the labour market and they might leave the organisation in search of greater achievements.

### **Organisational productivity**

Mathis and Jackson (2003) assert that productivity at the organization level ultimately affects profitability and competitiveness in a profit making organization and decisions made about the value of an organization often are based on the productivity of which it is capable. Individual productivity is also viewed as important because it adds up to the overall productivity at organisational level. The performance of individuals depends on three factors which are: ability to do the work, level of effort expended by an individual which is influenced by issues such as motivation, commitment, incentives, and job design and support given that person through providing equipment, supervision and necessary training . Stimpson and Farquharson (2010) allude that none of the resources used for productivity in organizations are as closely scrutinized as human resources because they are the central aspect of productivity in organisation.

Productivity is often viewed by managers as the key test for an organisation's performance as well as employee performance over a given period of time. According to Mathis and Jackson (2003: 75) "productivity is a measure of the quantity and quality of work done, considering the cost of the resources it took to do the work". Stimpson and Farquharson (2010) assert that productivity is the output per worker in a given period of time which is calculated as follows;

$$\text{Productivity} = \frac{\text{total output in time period}}{\text{Total staff employed}}$$

Stimpson and Farquharson (2009) further allude that it is also useful to view productivity as a ratio between input and output, thus the ratio indicates the value added by an organisation in their production. Better productivity does not necessarily mean that more is produced, perhaps fewer staff or less funds or less time was used to produce the required output. ([www.productivitycouncil.org.bb](http://www.productivitycouncil.org.bb)) As such productivity is a major factor influencing the competence and survival of an organisation

Although human resources have been said to greatly influence the productivity of an organisation, Stimpson and Farquharson (2009) assert that productivity is also influenced by other factors such as technical, financial and managerial factors. On the technical aspect, they argue that productivity depends on investing in latest technology, thus organisations should ensure availability of all necessary machinery and equipment for smooth flow of production. It also includes proper layout, design and size of the plant/machinery as well as computerisation of systems and above all a backup with research and development to keep up with current requirements. On the other hand, raw materials should be available to ensure maximum utilisation of all other resources which are machinery and the human resources.

Organisational productivity also heavily relies on financial resources because every initiative requires a specific level of investment, if it is to achieve viability and sustainability hence finance is the life blood of all organisations ([www.productivitycouncil.org.bb](http://www.productivitycouncil.org.bb)). The responsible authorities should ensure proper financial management, this includes sourcing of loans for investments, proper financial budgets avoiding both over and under utilisation of finance. Thus the argument by Stimpson and Farquharson (2009) is that if finance is properly managed, the productivity of an organisation will increase.

Furthermore Stimpson and Farquharson (2009) attribute that management factors are also said to influence the productivity of the organisations, they include professionalism, leadership style as well as industrial relations. On the aspect of industrial relations, workplace harmony is important because lots of conflicts and non-adherence to labour laws will cause a decrease in the morale and concentration of employees. As a result the work processes will be disturbed hence reducing on productivity. In terms of leadership, it should be suitable enough to ensure that employees are free and allow for flexible communication channels and participation of employees.

## **Labour turnover and Organisational Productivity**

Gomez-Meija et al (2002) argued that high turnover affects productivity in the sense that when employees are constantly leaving an organisation, it is difficult to maintain the same level of productivity because there is lost time and resources in recruiting new employees, training and for the new employees to adjust to the environment before they reach to their maximum performance . In addition Gomez-Meija (2000) further assert that labour turnover can be harmful to an organisation's productivity, especially if skilled workers are leaving often and the workforce population contains a lot of peripheral workers. Beardwell et al (2004) allude that high turnover of skilled employees poses a risk to the organisation especially when they are still in the same industry, if they are employed in the same industry by a competitor; the organisation will be placed at competitive disadvantage in the business. On the other hand, employees take with them, knowledge, skills and experience to other organisations in spite of the investments done by the organisation in developing employees.

According to Stimpson and Ferquharson (2012), nearly all firms are trying to increase productivity as a source of competitive advantage by minimising labour costs and using technologically advanced machines. On the other hand, Zheng (2013: [www.yourbusiness.azcentral.com](http://www.yourbusiness.azcentral.com) ) attributes that “productivity is all about adding value through changes in the outcomes we seek and the way we achieve those outcomes”. Thus for employees, addressing productivity is not just about efficiency in achieving goals but also about improving commitment and satisfaction in task performance.

Pertaining to this study, other scholars have also done some research in the past to try and help the understanding on the relationship between high labour turnover and organisational productivity. Tariq, Ramzan and Riaz (2013) carried out a study whose purpose was to determine the impact of employee turnover on the performance of an organization. Their research study was supported the argument by Derek (2006) that the employee turnover is positively associated with the organization inefficiency. Their measure for analysis were work load, work stress, employee salary, job satisfaction and work to family conflict. The result from their analysis confirmed that the performance of an organization is negatively and insignificantly associated with employee turnover. The study provided an insight to the major variables that influenced poor performance.

In other words, the writer would argue that labour turnover has an indirect effect on productivity by influencing other factors like work stress and work load. According to Zheng (2013 / [www.yourbusiness.azcentral.com](http://www.yourbusiness.azcentral.com) ), the remaining employees will experience altered morale towards work, thus the employees will carry the burden of additional duties to cover for the gap left by another employee. As a result this can create resentment and stress leading to low morale hence reducing productivity because they can no longer perform to their maximum. On the other hand, new employees may also suffer low morale as they might struggle learning to adjust to the environment and new job procedures. As a result this can disrupt concentration and lead to reduced productivity. ([www.yourbusiness.azcentral.com](http://www.yourbusiness.azcentral.com) )

On factors which have to do with rewards, if the remaining employees discover that where their colleagues have gone, they earn more and get better benefits an element of dissatisfaction may arise. This might distract their performance and increase their intention to leave the organisation, this might as well account for the abuse of organisational resources such as using internet and telephones for job hunting during working hours or moonlighting to get private income during working hours. Thus when all this happen, the time wasted on personal business will cost the organisation a fortune for productivity.

### **Background of the organisation**

The study will focus on ZGGM (Pvt) Ltd a large organization in the mining industry. ZGGM trading as Lynx mine is situated 65 kilometres north-west of Karoi town along the Harare-Chirundu main road in the Vuti area. It operates under Zimbabwe German Graphite Mines (Pvt) Limited, represented by Graphitwerk Kropfmuehl (G.K), a Germany Public Company and Zimbabwe Government under Zimbabwe Mining Development Corporation, (ZMDC). The organization is the sole provider of the mineral graphite in Zimbabwe and it is internationally competitive in terms of its product quality with Germany being the major customer for the company. With the prevailing turbulent business environment, the organisation is seen battling labour turnover which is interfering with the productivity of the organisation so as to keep up with the war for talent that is taking place in the industry. The organisation has been associated with increased labour turnover, with the year 2010 having a large number of employees leaving the organisation due to a retrenchment exercise and 2011-2012 characterised by dismissals and resignations and death. ( ZGGM Company records).

## **Problem Statement**

ZGGM has been experiencing high labour turnover of skilled and technical staff for the past 3 years (2010 - 2012) for example surveyors, electricians, accountants and fitter and turners (HR records). On the other hand, there is also low turnover of unskilled labour in which the organisation has plans to cut on the number of these employees. It has also been noticed that these particular individuals leave for organisations that are in the same industry (mining). Furthermore, the organisation is also facing difficulties in attracting the lost talent may be due to the nature of the industry which is highly competitive, thus the nature of their product does not have high returns like others such as gold and platinum, hence cannot match their rewards to that of other mining companies. Therefore the problem under investigation is to assess the nature and causes of labour turnover, and how it has impacted on productivity at this organisation.

## **Objectives**

1. Identify the causes of labour turnover in the organisation.
2. To evaluate the impact of labour turnover on the organisation.
3. To examine the challenges of managing labour turnover.
4. Proffer recommendations.

## **Justification of the study**

The aim of this research is to find the causes of labour turnover as well as its damaging effects to an organisation; therefore this study is important for human resource management. Since turnover implicates various consequences, it is necessary to detect them at an early stage and come up with remedial action. Thus the study is going to provide an insight into organisation's turnover trends as well as provide solutions for improvements or any corrective action. It will also be a basis for the organisation to employ the most appropriate cost effective recruitment and selection and resourcing strategies as a way of managing labour movement. On the other hand, research on labour turnover study has not received much attention in the department of HRM which justifies this research to be pursued. Furthermore the researcher will also learn and have vast knowledge on the area under study, rather than as an aim of completing the Honours Degree Programme. The University will also gain reference material for other students who wish to undertake research in the related fields.

## **Conceptual framework**

There are well established traditions of using models in research and project as a means of analysing and understanding the phenomenon under study. For the purpose of this research, the employee turnover decision process by Mobley (1977) and motivational theories would be discussed in order to help understand the possible behaviours of employees that may be linked to labour turnover.

### **The employee turnover decision process by Mobley (1977)**

According to Mobley (1977: 238) the decision to terminate employment can be described as a sequence of cognitive stages starting with the process of evaluating the current job. The result triggers the emotional state of satisfaction which contributes to a decision to staying with the organisation or dissatisfaction which motivates the thought of quitting. The employees would then evaluate the expected utility of search and the cost of quitting, if perceived possibility of finding an alternative is available, the next step would be behavioural intention to search for alternatives followed by an actual job search. The employee evaluates the current job and the alternative, thus if the comparison favours the alternative then behavioural intention to quit will be stimulated followed by the final decision to quit. This model by Mobley therefore helps the research to understand the process which individuals go through in order to arrive at a decision to leave an organisation.

## **Achievement motivation Theory**

In support of the labour turnover studies, Herzberg's two factor model (1957) cited in Armstrong (2010) is useful in the research. The model shows that certain factors are important in motivating employees which the reward practice should encompass. According to Beardwell et al (2004) the two factor model was developed following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers. These groups form the two factors in Herzberg's model: one consists of the satisfiers or motivators, because they are seen to be effective in motivating the individual to superior performance and effort. The other consists of the dissatisfiers, which essentially serve to prevent job dissatisfaction, while having little effect on positive job attitudes. Therefore, the model becomes important in the sense that in the process of assessing labour turnover taking note of the satisfiers and dissatisfiers is vital in order to find the root cause of these movements.

According to Torrington and Hall (2000), fostering a motivated workforce lies at the heart of human resources management, if people are motivated towards attaining appropriate goals, then the likelihood of organizational success is enhanced. Theorists like David McClelland (1969) as cited in Armstrong (2010), developed the Achievement Motivation Theory in which he propounded that different people are motivated by different circumstances which he categorised as need for achievement, need for power and need for affiliation.

Employees with high need for achievement are motivated by challenging and competitive work situations, satisfying, stimulating and complex work, autonomy and variety of tasks, constant feedback from client and/ or superiors. Those with high need for power for power also motivates staff, with staff preferring tasks that give them more responsibility and autonomy as well as authority. Those with the need for power may not necessarily be high achievers. One's need for power can be of two types that are personal and institutional. Those with strong need for personal power want to direct others while others with the strong need for institutional powers want to organize the efforts of others. Employees with high need for affiliation are individuals who are motivated by social factors such as status, interaction with others, (groups), support and acceptance

Generalizing these different categories of people, David McClelland (1969) as cited in Armstrong (2010), postulated that managers who want to motivate staff must first of all establish whether they have need for achievement or need for affiliation and then create an

atmosphere in which the employees can be motivated by the relevant need. Therefore, in this case some people may be motivated to stay with the organisation for a long time and perform up to standard.

### **Equity Theory**

Stacey Adams (1965) as cited in Armstrong (2010), conducted studies that were aimed at investigating the relationship between employees reward, relative to performance. He named this equity /inequity theory. He came up with three components in this model, namely; the individual input in the form of effort, experience, competence and other personal attributes. Output relating to what the individual gets from employment, these may take the form of rewards mainly money, recognition, promotion. The reference group, is a group whom the individual compares his output/input ratio.

The equity theory posits that employees seek to maintain equity between the input that they bring into a job (e.g. education, time, experience, commitment, effort) and the outcome they receive from it (e.g. promotion, recognition, salary) against the perceived inputs and outcomes of other employees. Equity theory posits that individuals who perceive themselves as either under-rewarded or over rewarded will experience distress, and that this leads to efforts to restore equity within the individual. Failing to find any equity, Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw, and Oosthuizen (2008:276) argue that they may behave in ways that harm the organisation. For example, they may quit, and when high performers leave the organisation, the company loses its productive talent and the capacity to gain competitive advantage. If dissatisfied employees stay, they may react by withholding effort in order to restrict output or lower quality, or embark on deliberate sabotage of equipment. This may also put the organisation at competitive disadvantage. Torrington and Hall (2000) asserted that, unfairly-rewarded employees tends to show feelings of hostility to the organisation and perhaps their co-employees which may lead to reduced productivity which may impair the overall performance of the organisation especially when high performing employees are involved. The organisation should also be flexible in responding to internal and external influences in as far as rewards and working conditions are concerned so as to control employee turnover.



## **RESEARCH METHODOLOGY**

### **Research approach**

The qualitative approach was used for this research. According to Armstrong (2010:181) “qualitative research aims to generate insights into situations and behavior so that the meaning of what is happening can be understood”. Qualitative methodology emphasizes on the social construction of reality and also the relationship of the researcher and the respondent, hence information is best described in words for example description of a situation, observed behavior and direct quotations from people and respondents records. Thus a set of research techniques based on people’s views and opinions and perceptions. Data was obtained from a relatively small group of respondents of 50 people through questionnaires and interviews. The advantage of qualitative approach was that respondents gave subjective responses because they experienced the situation under study. Again to say, the research took place in its natural environment, there was flexibility, with the respondent given the same status with the researcher. However, the disadvantages are that flexibility could hinder the researcher from getting reliable data as respondents gave excessive information, hence the danger of collecting irrelevant data or too much data. On the other hand, qualitative approach is time consuming.

### **Research design**

A research design is like a plan that provides direction for the research project, thus it is a programme that guides the investigation in the process of collecting, analysing and interpreting observations. The research was designed as a case study, which according to Haralambos and Holbon (2004), is defined as an empirical investigation of specific phenomena. A case study involves mixed methods of obtaining information which are for example observations, interviews and analysis of cite related documents. Armstrong (2010) also asserts that “a case study is a description or history of an event or sequence of events in a real life setting”. The use of a case study has the advantage of allowing for the use of multiple sources of data which facilitates the validation of data. Furthermore the advantages of using a case study are that it allows research findings to concentrate on a real life scenario and helps bring solutions for the purpose of improving real situations. The research findings may be used for future recommendation in the event that a similar case occurs. However the disadvantage is that the findings may not be used on any other organizations because



Operational staff	185	32
Total	230	50

Table 2 Sample size to be used

## **Sampling methods**

Sampling is classified under two broad methods of Non probability and probability sampling techniques. In probability sampling method every unit has an equal chance to be selected. The techniques in probability sampling include simple random sampling, stratified random sampling, cluster sampling and systematic sampling ([www.statpac.com/surveys/sampling.htm](http://www.statpac.com/surveys/sampling.htm)).

For the purpose of this research, probability sampling was used in the form of stratified random sampling method. According to Jewel (2000) when using stratified random sampling, the population is divided into a number of strata and respondents will be randomly selected within each stratum. Thus for this case, the strata were management, supervisory staff and operational employees hence picking on any individual from each group.

## **Sources of data**

### **Primary sources**

Moorhead and Griffin (1990:218) states that “primary sources of data provide direct description of study to the researcher who actually observes and witnesses the occurrence of events”. Primary data refers to original information obtained through questionnaires, interviews and observations.

### **Questionnaires**

A questionnaire, according to Nachmias (1994) “is a form containing a set of questions, especially one addressed to a statistically significant number of subjects as a way of gathering information for a survey”. The researcher used questionnaires to obtain information from junior management and non managerial employees (supervisory and operational) because they are most suitable for collecting descriptive and explanatory data about attitudes, beliefs, behaviour and attributes as alluded by Somekh and Lewin (2009). The questionnaires were in the form of open-ended questions so as to enable respondents to fully stretch their minds towards the topic, thus also Somekh and Lewin (2009) assert that there is a distinction made

between open-ended and closed questions. An open-ended question asks the respondent to formulate his own answer or give free response thus making it more appropriate to elicit insightful information. For a closed question the respondent has to pick/choose a response from a given number of options, however such questions do not allow for additional responses from the respondents.

The advantages associated with questionnaires are that, there is reduction of bias as compared to interviews and greater anonymity of respondents is maintained. Questionnaires are an inexpensive way to gather data from a potentially large number of respondents, hence allow greater geographical coverage of respondents. As alluded by Somekh and Lewin (2009), questionnaires often have standardized answers that make it simple to compile data; hence the analysis of a questionnaire is relatively straightforward as the questions are properly structured. In addition, questionnaires allow respondents time to formulate appropriate well thought out responses. Although questionnaires help gathering information, they are also sharply limited by the fact that respondents must be able to read and understand the questions and respond to them, thus they effectively apply to those who are literate. The respondents could fail to return the questionnaires when they become due or may decide not to respond to all questions, thus hinders getting a variety of data

### **Interviews**

An interview is defined by Nachmias (1994) “as a two way conversation initiated by the interviewer for the purpose of obtaining information for the research”. The interview is generally adopted as a data collecting instrument to offset limitations of a questionnaire. The researcher used structured interview questions to gather information from executive management. A structured interview according to Armstrong (2010) is one that is built around a set of predetermined questions in order to attain specific information in relation to the study.

The interview has advantages that the researcher will personally interact with the subjects such that certain confidential information can be obtained which respondents could be reluctant to put in writing. The interview however, presents some shortcomings with regards to recording and maintaining the rapport as recording interferes with the smooth and natural conduct of the interview. This sometimes implies writing up from memory which has its own

problem of failing to write exactly how respondents phrased their comments or misquoting the respondent.

### **Secondary sources**

Haralambos and Holborn (2004) asserted that secondary data involves the use of and further analysis of data collected for another purpose and found by means of desk research, thus secondary data is one that is already in existence and might have been collected for other purposes by other researchers. Some of the information used was available within the organization for example production records, annual reports and monthly reports. Other information was obtained from previous research done by other scholars and textbooks; also secondary data is cheap to gather because it is readily available. However, the disadvantages of secondary data are that some of the information will be outdated and no longer applying to the current situations. Again to say, some information could be irrelevant to the Zimbabwean situation and the data gathered outside the organization could be so general and not specific to the organization under study as well as gathered for different purposes other than this study.

### **Methods of Data Presentation and Analysis**

According to Nachmias (1994), “methods of data analysis involve reducing accumulated data to a manageable size, developing summaries looking for patterns and applying statistical analysis”. The thematic approach was used for easy references and analysis. Themes for data presentation and analysis were designed in accordance with the research objectives. The researcher further analyzed the data by comparing the research findings with existing literature on labour turnover and organisational productivity. The researcher ensured that the data contained in questionnaires was represented in the form of numbers which made the data suitable for further processing. Analysis and editing of data was done to improve reliability and validity of information gathered. Corrections were made where possible to ensure data quality standards have been achieved. Data was collected through various research instruments and from various respondents, and was grouped and synthesized to come up with a critical analysis of the findings. The researcher used tables and descriptive summaries to present, describe and analyze data.

### **Ethical considerations**

Ethical considerations according to Somekh and Lewin (2009) refers to acting in the manner acceptable to society, of which in this case the researcher made sure that respondents participated voluntarily. Respondents were given enough time to answer questions, at least 20minutes. The names of respondents were not disclosed, hence maintaining anonymity and confidentiality of given information; however the researcher disclosed her identity to the respondents. Above all, the researcher obtained authority from those in charge, made appointments and acknowledged research collaboration as well as any form of assistance given during the research by different people.

### **Scope/ Delimitations**

The study research was limited to Zimbabwe German Graphite Mines in Karoi, on the other hand, the research focused on the causes and impacts of labour at this organization. All the respondents were permanent employees at ZGGM.

### **Limitations of the research**

The researcher faced resistance and lack of cooperation from some employees because they thought the researcher was spying on their views on behalf of management. To curb the resistance, the researcher explained and assured respondents that she was not a management spy. On the other hand some respondents from operational staff showed lack of understanding of the topic under study, thus the researcher had to give insight on what labour turnover and productivity is all about. There were some time constraints because the researcher had to balance lectures and do the research at the same time. The researcher faced financial constraints in that the traveling costs to Karoi, food and accommodation were high.

## DATA PRESENTATION AND ANALYSIS

### Data Presentation

The data gathered from managerial employees using structured interviews and the data obtained from supervisors and non managerial employees using questionnaires is presented in this section. Respondents were asked to give information pertaining to their age, gender and length of service in the organization as well as highest qualifications obtained. Data presentation was done in a descriptive manner with a combination of tables, graphs and charts. The presentation of findings remained focused on ensuring that the research objectives were dealt with.

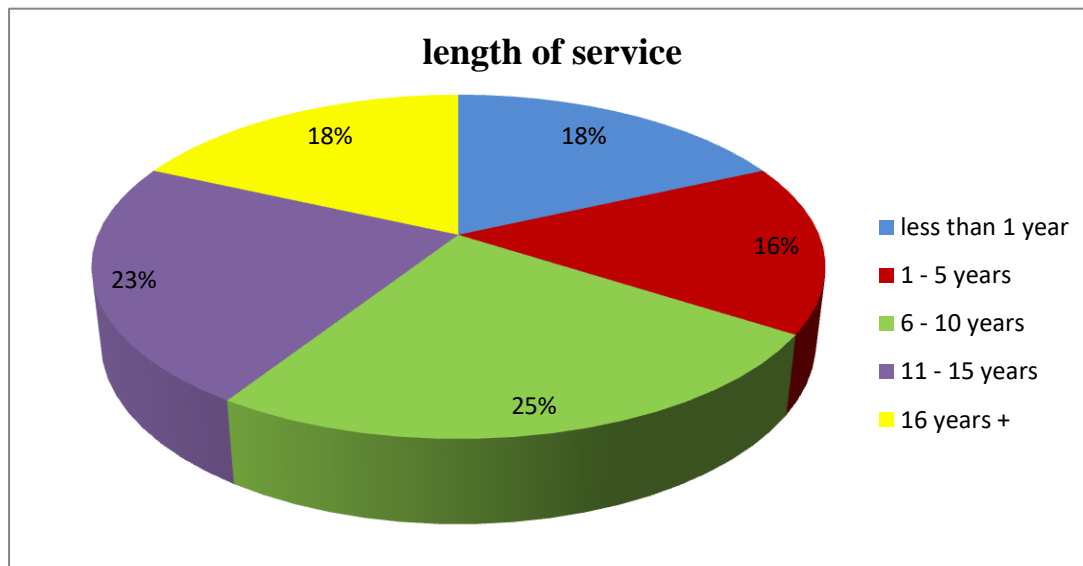
Table 3 Demography of ZGGM

Age	Gender		Education							
	Males	Females	Degree		Diploma		Certificate or Professional Courses		Ordinary level Qualifications and below	
			M	F	M	F	M	F	M	F
20-30Years	7	0	2	0	3	0	1	0	0	0
31- 40Years	24	3	2	1	6	2	11	0	5	0
41- 50Years	7	1	0	0	2	0	2	0	3	1
51+ Years	2	0	1	0	0	0	1	0	0	0
<b>Total</b>	<b>40</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>12</b>	<b>2</b>	<b>15</b>	<b>0</b>	<b>8</b>	<b>1</b>
<b>Grand Total</b>		<b>44</b>								<b>44</b>

The table above shows the age range of respondents, the gender and educational qualifications. The age range shows that 15.9% of respondents are between 20 – 30years and they are all male. Respondents between 31 – 40 years constitute 61.4% with 24 males and 3 females. 18% of respondents are between 41 and 50years with 7 males and 1 female. Lastly, 4.5% of the respondents are above 51years and they are all male.

In terms of gender, 9.1% of respondents were females and 90.9% were males. The distribution of educational qualifications was such that 13.6% of respondents had attained degree level of education with 5males and 1female. Those with diploma level of education constituted 31.8% with 12 males and 2females. 34.1% attained professional courses as their highest level of education and they were all males. Respondents with “O” level education and below (unqualified) constituted 20.5% with 8males and 1female.

### Length of service



The above pie chart shows the length of service of the respondents. 18% of respondents which is 8 employees have less than 1 year in the organisation. The other 16% of respondents (7 employees) are between 1 and 5 years of serving the organisation. Respondents serving the organisation for 6 – 10 years amounted to 25% (11 employees). Furthermore 23% (10 employees) have served the organisation for 11 – 15 years. Lastly another 18% (8 employees) has served the organisation for more than 16 years.

### Departmental response rate

Department	Management	Supervisory staff	Operational staff
Human Resource	1	1	3
Finance	2	1	2
Mining/ Underground	2	2	6
Engineering	2	3	8
Plant and Floatation	1	2	8
<b>Total</b>	<b>8</b>	<b>9</b>	<b>27</b>
<b>Grand total</b>	<b>44</b>		

The above table shows that the researcher collected data from different departments at ZGGM. The Human Resource department had a total of 5 respondents, 3 operational



employees, 1 supervisory employee and 1 executive management member who participated in structured interview. The Finance department had a total of 5 respondents, 2 of them consisted of 1 junior manager and 1 executive manager. The other 2 were operational employees and 1 was a supervisor. In the Underground department 10 employees participated in the research, 1 executive managerial member answered a structured interview, 1 junior manager answered a questionnaire, 2 supervisors and 6 operational employees responded to questionnaires. Furthermore, the Engineering department had a total of 13 participants; in this department 2 managerial employees answered questionnaires, 3 supervisors and 8 operational employees also filled in the questionnaires. In the Plant department 11 employees were selected with 1 managerial employee answering a questionnaire, 2 supervisors and 8 operational employees also participated.

### **Research Response rate**

Table 4 total research response rate

Participants	Interviews		questionnaires		Discrepancy	Percentage %
	Target	Actual	Target	Actual		
<b>Management:</b>						
executive	3	3	-	-	0	100
Junior	-	-	5	5	0	100
Supervisory staff	-	-	10	9	1	90
Operational staff	-	-	32	27	5	84.4
Total participants				44	-	-
<b>Total average response rate</b>						<b>93.6</b>

During the research, three executive managers were interviewed as per target. As a result a 100% response rate was achieved. A total of 47 questionnaires were issued to participants. Five questionnaires were given to managerial employees as per target and all of them were returned, resulting in a 100% response rate. Furthermore 10 questionnaires were issued to supervisory employees, however only 9 were returned and 1 was not returned. This gave a 90% response rate from the supervisory employees. Another set of 32 questionnaires was issued to operational employees, 27 were returned and 5 were not returned. As a result 84.4%

response rate was recorded from operational employees. Therefore the total response rate for the whole research process was 93.6%.

### **Reasons for joining the organisation and intention to quit**

The researcher inquired why the respondents chose to join the organization and why they might leave the organization. Thirteen operational respondents, three managerial and four supervisory respondents said they joined the organization because of the need to get an income (money) to take care of families. On the other hand five managerial respondents, three supervisory respondents and eight operational respondents said they joined the organization because of the passion of their professions. Four operational respondents and two supervisory respondents said they joined the organization because they were desperate to get employment. Two operational employees attributed that they joined the organization because their professions are strictly channeled to the mining industry.

### **Nature and Trend of labour turnover for skilled employees from 2010 – 2012**

Nature	Trend	2010	2011	2012
Voluntary	Resignations	2	3	5
Involuntary	Retrenchment	7	0	0
	Dismissals	0	1	2
	Death : Injury on duty (I.O.D)	0	0	1
	Death : natural	1	1	1
<b>Total</b>		<b>10</b>	<b>5</b>	<b>9</b>

The table shows the nature of labour turnover at ZGGM as voluntary and involuntary. In 2010 the organisation recorded 2 resignations as voluntary turnover. For involuntary, the company retrenched 7 employees and 1 passed on due to illness. In 2011, 3 resignations were recorded for voluntary turnover. For involuntary turnover, 1 dismissal was recorded and 1 death due to natural illness. In 2012, 5 resignations were recorded as voluntary turnover. For involuntary turnover, 2 dismissals were recorded, 1 death due to injury on duty and 1 natural death. In totals, for 2010 the company lost 10 employees, 5 employees in 2011 and 9 employees in 2012.

All managerial respondents said that more skills are lost in the technical division especially underground and engineering departments for example electricians, fitter and turners, overseer miners and surveyors; while the other few being lost in administration department for example accountants and clerks. The management attributed 70% of skilled turnover to the technical division and 30% to administration division.

### **Causes of labour turnover**

The major causes of labour turnover at ZGGM were identified as rewards, working conditions, training and skills development, industrial relations, job dissatisfaction and other various causes. Six (6) managerial respondents, seven (7) supervisory respondents and twenty (20) operational employees attributed the causes to rewards, thus the participants are not satisfied with the pay and benefits which they are getting at the organisation. Pertaining to working conditions, four (4) managerial respondents, nine (9) supervisory respondents and twenty three (23) operational respondents attributed the causes to poor working conditions which include several working hours, using outdated machinery and unhealthy conditions at the Mine like heat, noise and ventilation. Furthermore, five (5) managerial respondents, eight (8) supervisory and nineteen (19) operational respondents attributed the causes to lack of skills/career development opportunities at the organisation; in this case they referred to upgrading education and training opportunities. The respondents are not content by remaining at the same position without promotion or advancement of duties and also that the working arrangements are such that there is little time to concentrate on upgrading their careers. The managerial respondents also admitted that they are not in a position to give financial support and adequate time to employees for career development.

In terms of industrial relations, six (6) managerial respondents, eight (8) supervisory and twenty (20) operational respondents attributed industrial relations as a factor causing labour turnover. The managerial respondents blamed non-managerial employees that they like quarrels and arguments with their superiors. However non-managerial respondents also accused the management of unfair treatment which causes conflict among different parties in the organisation. Thus poor relations between management or supervisors and their subordinates as well as sour relations among colleagues have contributed to labour turnover. Labour turnover emanates from job dissatisfaction because of unfulfilled expectations; this was attributed by seven (7) managerial respondents, five (5) supervisory and seventeen (17) operational respondents. Thus if what employees expected from the organisation is not what

is transpiring for example in terms of working conditions, rewards, relations, the nature of duties they leave the organisation.

Other causes have been attributed to opportunities for better prospects or greener pastures, work-life balance and entrepreneurship and the location of the organisation. Three (3) managerial respondents and six (6) supervisory respondents attributed better prospects and greener pastures as causes of turnover, thus employees will leave if they get organisations which offer better opportunities than what they are currently getting. Furthermore five (5) managerial respondents, four (4) supervisory and thirteen (13) operational respondents said that the location of the organisation is too remote hence some employees tend to relocate to urban areas. In terms of work-life balance, eight (8) managerial respondents said they stay away from their families and cannot relocate the families to the Mine hence other employees in the same condition usually leave the organisation. In light of this, respondents said there is need for better social activities because after work people need to refresh, so other employees may leave the organisation to environments which will offer social benefits. On the other hand eight (8) supervisory and sixteen (16) operational respondents said there is need for entrepreneurial activity because they do not want to solely depend on organisational benefits so there are time constraints for them to attend to personal business.

### **Labour turnover and productivity at ZGGM**

The three (3) executive respondents confirmed from company records that in 2010 the rate of turnover was at 20% whilst the level of productivity was at 18.3 tonnes. Thus high labour turnover was associated with low productivity. In 2011 the rate of turnover reduced by 16.6% to 3.4% whilst the productivity level increased by fourteen (14) tonnes to 32.3 tonnes, thus a decrease in labour turnover was associated with an increase in the level of productivity. In 2012 the rate of turnover increased by 3.1% to 6.5% and productivity reduced by 1.8 tonnes to 30.5 tonnes. Therefore this trend shows that if labour turnover increases, productivity reduces and if labour turnover reduces, productivity increases.

### **Impacts of labour Turnover to the ZGGM**

The increasing rate of turnover has had adverse impacts on the organization. In an interview with three (3) executive managerial respondents, the organization has faced increased financial costs for the recruitment and selection of new employees which include refund for transport costs of candidates, food and accommodation, advertising especially for highly skilled vacancies for example mine captains, surveyors and engineers. The executives pointed

out that the organization is struggling to attract competent candidates for interviews hence the poor attendance by shortlisted candidates with some who do not show up for interviews, whilst other selected candidates leave the organization during the probation period or reject the employment offers given by the organisation.

Furthermore, (7) supervisory respondents and six (6) of managerial respondents further assert that labour turnover has also resulted in increased pressures for the remaining employees because they would usually have to put in extra hours to cover for vacant posts; this has resulted also in failure to meet targets on time as well as compromising the graphite quality. Five (5) of managerial respondents asserted that there is appointment of junior employees who are appointed to act in the positions of vacant posts and they underperform as a result this reduces production and quality levels. Twenty (20) operational respondents attributed that the remaining employees are disturbed of their team work and they sometimes struggle to accommodate new employees in their teams because the new member might not adjust to the norms of the team. Seven (7) managerial respondents and nine (9) supervisory respondents attributed that the morale of employees is reducing as their colleagues leave the organisation because it reduces their levels of concentration at work as the remaining employees also try to focus on getting better offers from other organizations. Four (4) of managerial respondents, six (6) of supervisory respondents and twenty (24) of operational respondents attribute stress as an effect of turnover because of too much workload pressure as they take up multiple duties.

### **Challenges of managing labour turnover**

Five (5) managerial respondents put forward the problem of failing to probe relevant information from leaving employees during the exit interviews because the employees usually do not say out the reasons why they have decided to leave the organisation. Three (3) executive managers said there is tight competition in the industry in terms of rewarding skilled employees especially the technical skills and they face financial constraints which are attributed to low revenue of graphite as compared to other mining companies with high income minerals like gold and platinum. Therefore the organisation cannot pay competitive salaries, however the salary levels are above National Employment Council (NEC) level for the mining industry. Seven (7) managerial employees attributed challenges in training and development; they said that the company does not offer financial support for personal careers

because of the fear to lose employees after investing in their skills and knowledge. On the other hand there is time constraints as it is difficult to give employees time off for studies hence the pressures to be attended at work by the employees. Four (4) managerial respondents alluded that employees are dynamic and it is difficult to satisfy their needs because employee demands and needs are constantly changing such that once they get what they wanted they make new and totally different demands. Four junior managers and two executive managers said that there are challenges during selection where candidates may impress and get a job, but eventually fail to deliver desired performance which leads to dismissals because of incompetence. Thus employees fail to fulfil expectations of the employer, whilst management also fails to deliver some promises expected by employees. Therefore there would be continuous dismissals and resignations.

## **DATA ANALYSIS**

The researcher used the thematic analysis method to analyse the data which was presented earlier on. The themes for analysis were derived from the objectives of the study and the findings presented in the previous section. The presented findings were analysed under the following titles; causes of labour turnover at ZGGM, the relationship between labour turnover and productivity at ZGGM and the impacts or effects of labour turnover at ZGGM.

### **Causes of labour turnover**

Respondents attributed rewards as a reason why people leave the organisation, this is what Torrington et al (2011) also asserts that reward factors are often a factor causing labour turnover because rewards can act as both motivator and satisfier which will strengthen their bond with the organisation and it can also be a satisfier. Thus if rewards are viewed as insufficient they can cause dissatisfaction to the employee, as a result the dissatisfaction will instil the intentions of leaving the organisation as cited by Mobley (1977) that feeling of dissatisfaction triggers intentions to leave the organisation. Armstrong (2010) also alludes that employee's perceptions of inequity is also a reason that causes them to leave the organisation, in light of this; employees tend to benchmark their rewards to that of other employees who are working in the same industry as them. In general terms it seems rewards are never satisfactory for employees and on the other hand the organisation would be responding to other factors like external economic pressures and financial constraints which influence them pay what they are paying.

In terms of poor working conditions, the mining industry is associated with a lot of heavy and physical work in which workers are strained of a lot of energy. Employees in the underground complained about poor ventilation and health hazards like natural gases and intense heat as well as unforeseen disasters like rock fall. Thus, Mayhew (2013/[www.smallbusiness.chron.com](http://www.smallbusiness.chron.com)) asserts that in terms of working conditions, "employees must have the necessary tools to perform their duties". Working conditions should include proper equipment, machinery and computer technology as well as adequate lighting, work space and proper work ergonomics. Employees also complained about the change of working shifts from a 5 day working week to a 6day working week which increased the working hours. Another reason for such conditions is failure by the organisation to replace some employees which are leaving the organisation also some posts have remained vacant for a long time and

duties are spread to the rest of the employees. Such poor conditions have also been a result of continued overtime schedules for employees in order for them to meet production targets. These working patterns also mean that employees spend 90% of their time at work; this also induces stress for employees. As a result employees leave the organisation.

Torrington et al (2011), there are broader notions of career development thus the desire to move into new areas of work for which there are better opportunities elsewhere. As such 45% of the respondents are skilled employees and this means that they want opportunities were possible to upgrade and develop their skills. Usually the need to develop stems from desire to become more competitive for larger post and advanced duties. Also employees at this mine some of their skills are rigid or just confined to the mining of graphite and they get those skills through on-the job training. Thus the anticipation of lack of job security affects or brings desire to advance their careers. Again to say some employees do not want to be glued to the same positions and duties as a result they want to be powerful in skills so that they access better positions elsewhere or get promoted within the organisation. Therefore the need for skills development and achievement become a drive for labour turnover.

According to Armstrong (2010) employees often consider better prospects thus they look up to other organisations as being better than the current organisation they are working for. Looking for other prospects stems from job dissatisfaction or rewards or other conditions of employment which are not pleasing or rather what they anticipated to get from the organisation is not what they are getting. Better prospects according to Gomez-Meija et al (2010) are a function of pull factors in which conditions from other organisations look attractive to the employees and that motivates them to prefer working for those organisation. Such factors may usually be rewards, location of the organisation or working conditions.

Industrial relations issues management are a crucial aspect of HRM thus if employees perceive unfair treatment and such issues are not resolved, conflict and tension arises and this might cause employees to leave the organisation. Misunderstanding between the management and subordinates as well as personal clashes may result in tension such that either party will leave the organisation. Thus sour relations According to Gomez Meija et al (2010) are part of push factors which increases the chances for employees to leave the organisation, in some instances employees do not leave their jobs particularly but rather they will be running away from their superiors or colleagues. However it may not be disputable that some employees deserve to be dismissed from the organisation because of poor performance or unacceptable



conduct at work. The researcher alludes that employees might leave the organisation because other superiors undermine and suppress the capabilities of subordinates, thus they leave because of the need for achievement of both personal and organisational goals.

Other causes of leaving like discovering that what employees anticipated or expected to get from the organisation is not what it is maybe because of exaggerated advertising by the organisation or employer branding practises engaged by the organisation. This was also attributed by Lepak and Gowan (2010), that dissatisfaction may stem from discovering that what they expected from the organisation is not what they are getting for example the workload, working conditions and the relations hence deciding to leave and try other organisations. The researcher alludes that the need for entrepreneurial activity advocated by other employees arises because employees in the Zimbabwean current economic state, are supplementing for insufficient rewards while going to work at the same as a result they stay with the organisation on that condition. The complaints about work life balance in terms of family is because of the location of the organisations in remote areas and also the working arrangements which make it difficult for employees to travel and visit their families more often.

The researcher here asserts that, in as much as organisations are busy, they should give time off for employees to visit their families because it could be important for employees' health in terms of HIV/AIDS, thus most mining employees have a high risk of contracting HIV. Also because of the location employees also advocate for social activities so that after work they relax and socialise with their colleagues. On this notion, Torrington et al (2011) assert that work-life balance causes turnover in the sense that employees will be finding it difficult to match the demands of the job with social demands.

### **Impacts of labour turnover on productivity**

The organization has faced increased financial costs for the recruitment and selection of new employees as well as struggling to attract competent employees and others not turning up for interviews. Literature according to Armstrong (2010) assert that lost productivity can be associated with the interim period before acquiring new employees and loss of productivity associated with the time when employees will be serving notice period as well as the time required for a new worker to be fully productive. The researcher asserts that the problem of failing to attract new employees might be emanating from the image of the organisation, thus what leaving members or society spread about the organization affects decision making of

prospective candidates. Thus prospective candidates may be discouraged by the rumors they hear about the organization.

Labour turnover has also resulted in increased workload for the remaining employees and resulted also in failure to meet targets on time as well as compromising the graphite quality. With regard to this, Torrington et al (2011) asserts that organisation usually spreads the duties of vacant posts to the remaining employees; hence an organisation may experience poor performance due to low performance exhibited by employees acting for vacant positions. As a result there is failure to meet targets and also failing to meet quality required. However Stimpson and Farquahson (2010) assert that productivity may be affected by other factors other than turnover. The researcher alludes that the complains about increased workload emanates from the perception of inequity in that the amount of time and zeal exhibited by employees will no longer be tallying with their rewards. Also other employees anticipate or wish to be upgraded to the vacant post but they are not, so they might sabotage the extra duties they are given leading to compromised quality and generally poor performance. However it is not all employees which are put in acting positions who exhibit poor performance but rather some of them grab the opportunity to make great achievements or learn for future reference.

Furthermore the organisation is experiencing low levels of morale and the employees' exhibit signs of stress. According to Gaskell (2013), employees may suffer low morale in trying to adjust to the new systems while for existing employees the thought of thinking that their colleagues are now better than them may cause lose morale in executing their duties. The researcher alludes that the reduction of morale emanates from dissatisfaction; in that they will view other organisations as being better than the current organisation thus they lose concentration and focus on their duties.

The high turnover rate and low productivity level in 2010 may be explained by the retrenchment exercise which was carried out by the organisation where some employees volunteered to take their packages. Baron and Kreps (1999:427) assert that "during retrenchment, sometimes some of the able employees with skills decide to leave because there are most likely to be employed by other organisations. Therefore as a result productivity was affected because of the reduction in numbers of the employees; also the performance of employees could have been affected by insecurity and fear that they might also lose their jobs. Thus Sahdev et al (1999) assert that survivor syndrome affects the remaining employees

after a downsizing exercise and that performance and relations of employees would take time to stabilise. The researcher asserts that another reason for this trend is that it was a period of economic turnaround and dollarization era where companies were recapitalising hence the company was facing shortage of resources that is hr, finances and machinery leading to poor productivity. Thus in this regard Stimpson and Farquharson (2010) asserted that productivity can also be affected by a variety of factors which include equipment and machinery, finances and skills available or number of employees available for the completion for duties.

In 2011 there was reduced turnover and increased productivity and this could be a result that the company had stabilised in terms capitalisation and supply of machinery for completion of tasks as well as employee adjustment to the new routines of the organisation it was also a result of management action shifted the working shifts by introduction of overtime schedules in trying to meet production targets. The researcher alludes that labour turnover reduced because employees were settling and assessing the developments of the organisation and generally countrywide people were looking forward to getting permanent employment status after the economic crisis of 2007-2009. On the other hand, the mining industry was one of the top industries to resuscitate production and contributing higher GDP for the country, thus the employees were choosing to stay with the organisation.

In 2012, there was an increase in labour turnover and a decrease in productivity. The trend of turnover can be attributed to pull factors from other mining companies which were in need of technical skills and employees with mining industry experience. In light of this management also confirmed that their technical employees have been lost to other mining companies around the country. In light of this, Das (2011) asserts that if there is high competition in an industry the movement of labour tend to increase. Also time and production is lost as supervisors try to accommodate new employees and again new employees would also take time to adjust before they become fully productive, this is also asserted by Gomez Meija et al (2010) that production and time is usually compromised during the period when new employees are adjusting to the organisation's systems as well as adjusting to new relations with other colleagues.

### **Challenges of managing labour turnover**

The organisation is facing challenges in terms of training and development of employees, with fear that investing in human capital eventually becomes a loss as employees leave the organisation. In some studies, Torrington et al (2011) assert that training and development is

an important aspect when managing labour turnover, however there are two perspectives regarding investment in human capital where training and development enhances employee commitments and reduces the intentions to leave the organisation, on the other hand training and development makes employees to be more employable on the labour market hence perpetuate the movement of employees around organisations. However on the other hand Armstrong (2010) advocates for training and development as one of the best strategies to reduce turnover and retain skilled employees. The researcher attributes that in as much as investing in human capital is risky ( i.e. risk of failure of employees to deliver after training sessions and risk of leaving the organisation), it is essential because it reduces dissatisfaction which usually contributes to turnover and also having less skilled employees reduces the overall performance of an organisation. The situation could be regarded as “no pain, no gain” meaning that if there is no effort put to develop employees, the productivity may as well always suffer in the end.

Furthermore the results showed that the organisation is facing challenges in rewarding employees as compared to other companies in the industry. In this regard there is a debate as to what extent salary levels can reduce labour turnover. Thus Torrington et al (2011) assert that salary is a hygiene factor rather a motivator and can be a cause of dissatisfaction; however to some people salary can as well be a motivator to stay with the organisation. The researcher alludes, the extent to which pay reduces turnover may depend on the reason why an individual joined the organisation or societal background of an employee. Other people join an organisation because of poverty, or the need to get money for various reasons including taking care of families. Thus for such individuals, if the pay is not sustaining their needs the perceptions of inequity arise hence they move from one organisation to another, on the other hand some people are not motivated by salary but by different needs of achievement in their careers or the needs for affiliating to an organisation. Moreover to a large extent, employees value pay and it is the reason why people look for jobs and continue to move from one organisation to another hence controlling labour turnover is made difficult in organisations.

Another challenge faced by the organisation is failure to get crucial information on why employees leave the organisation during exit interviews, thus according to Beardwell et al (2004), aim at gathering information on why the employee is leaving, an evaluation of the conditions in the organisation, the pay and benefits they will be receiving in the new

organisation and their recommendation to the organisation. Thus employees may fail to open up if the reasons will affect the remaining employees for example bullying and harassment. Also they might not open up if they are leaving because of conflicts and poor management conduct towards employees.

In addition, there are also difficulties in managing the expectations of employees because their needs constantly change as they receive what they desire. In this regard Torrington and Hall (2000) assert that during recruitment and selection, prospective employees should get realistic job previews before they join an organisation because if their expectations are not fulfilled there would be dissatisfaction which contributes to quitting the job. However the researcher alludes that problems also arise with employees in that they join out of desperation whilst fully aware of what they will get but will be having hopes that things will, but eventually things do not change. Also during selection procedures, some employees may impress the employer but later fail to deliver expected performance, hence contributing dismissals on bases of incompetence. Therefore managing expectations become challenges for both the employer and the employee.

## **Recommendations**

- Introducing management succession programs. This is a management strategy of preparing junior employees to take up higher positions in the event that vacancies arise, so this will counter the costs and difficulties of hiring new employees.
- Continuous review and improvement of rewards and benefits. Management should benchmark rewards with other mining organizations because employees prefer higher salaries all time.
- Offering educational loans for those employees who wish to upgrade their ,in this regard some bonding strategies should be put in place for example spreading the payback period over many years. On the other hand, management should sponsor the core skills to be developed for increased production regardless of the risk involved.
- Management should engage in employee attitude survey for skilled employees to assess the turnover intention and come out with solutions to counter their intentions of leaving the organization.
- Retention strategies for core competencies required by the organization.

- Introducing social recreational activities like a sports club. This is necessary since the organisation is located in remote areas, so a sports club will enhance revival of social capital.

## **Conclusions**

According to the study which has been carried out, there is positive relationship between labour turnover and organisational productivity. Productivity fluctuates and respond to the movement of employees in and out of the organisation, thus if turnover reduces productivity increases and if turnover increases productivity reduces. The causes of labour turnover vary according to the needs and expectation of individuals in the organisation. The impacts of labour turnover have a negative effect on both the remaining employees because it affects motivation and morale as well as the organisation in terms of increased financial costs. However the levels at which staff turnover rates have to reach in order to inflict measurable damage to productivity is debatable size since some impacts are indirectly exhibited by employee behaviour. On the other hand, dissatisfaction is the root cause of feelings of inequity which employees exhibit before they leave organisation while those who are highly educated and skilled are usually de-motivated if they are powerless and not content with their achievement levels thus they also tend to leave the organisation.



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### **Company Records**

HR monthly reports 2010-2012

HR annual reports 2010-2012

Works council minutes

## List of appendices

### Appendix 1: Questionnaire for non managerial employees

#### **QUESTIONNAIRE FOR NON MANAGERIAL EMPLOYEES**

My name is Rita Mawodzwa, a Human Resource Management student from Midlands State University. I am doing a research on Labour Turnover as required in partial fulfilment of my programme. You have been chosen as a respondent for this project and I would like you to assist me with information for the above mentioned topic by completing the research questions below. There is no need for you to disclose your identity, all the information given will be strictly used for academic purposes and treated with confidentiality.

**Fill in the spaces provided and tick where options are provided.**

#### **Section A**

Gender: Male [  ] Female [  ]

Age: ..... Grade .....

Department .....

Length of service .....

Level of education:

Ordinary level [  ] tertiary certificate level [  ]

Diploma level [  ] Degree or more [  ]

#### **Section B**

1. What attracted you to come and work for this organisation?

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2. If you are offered a job in another organisation, would you leave this organisation? and why?

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3. i. Are there any of your colleagues who have left this organisation?

Yes [ ]                      No [ ]

ii. What do you think are the reasons for their departure?

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4. Are you affected in any way when your colleagues leave the organisation? yes [ ] No [ ]

If                      yes,                      how                      are                      you                      affected?

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5. Do you think that productivity is affected by labour turnover in this organisation? Give reasons for your answer

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6. What is the company doing to reduce the effects of labour turnover?

- a) Introducing overtime [ ]
- b) Transfer of employees to other sections or departments [ ]
- c) Spreading/sharing responsibilities of vacant posts to the remaining employees [ ]

Specify any other strategies

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.....

7. What do you think the organisation should do to control labour turnover?

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8. Are there any other comments that you would want to make that would give me a better understanding on the causes or impacts of labour turnover in the organisation that may not have been covered by the preceding questions?

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**Appendix 2:** questionnaire for managerial respondents

**QUESTIONNAIRE FOR MANAGERIAEMPLOYEES**

My name is Rita Mawodzwa, a Human Resource Management student from Midlands State University. I am doing a research on Labour Turnover as required in partial fulfilment of my programme. You have been chosen as a respondent for this project and I would like you to assist me with information for the above mentioned topic by completing the research questions below. There is no need for you to disclose your identity, all the information given will be strictly used for academic purposes and treated with confidentiality.

**Fill in the spaces provided and tick where options are provided.**

**Section A**

Gender: Male [ ] Female [ ]

Age: ..... Grade .....

Department .....

Length of service .....

Level of education:

Ordinary level or less [ ] Professional course [ ]

Diploma level [ ] Degree or more [ ]

**Section B**

1. What attracted you to come and work for this organisation?

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2. If you are offered a job in another organisation, would you leave this organisation? and why?

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3. How often do you measure the rate of employee turnover?

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4. What has been the level of labour turnover at this organization for the past two years?

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5. What is the nature of labour turnover experienced by the organization?

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6. What skills have particularly been lost in your organization for the last 2 years and what do you think are the main reasons for this loss?

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7. How valuable are the positions being left by the workers in the organization?

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8. Has labour turnover affected your productivity in any way? Give reasons for your response.

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9. What costs have you incurred as a result of labour turnover?

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10. What measures are in place to prevent high levels of employee turnover?

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11. What has been the effectiveness of these measures?

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12. Do you have any other comments that you would want to make, that would give me a better understanding of your view about causes and impacts of labour turnover that may not have been covered by the preceding questions?

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**Appendix 3: INTERVIEW GUIDE FOR EXECUTIVE MANAGEMENT**

1. What has been the trend and level of labour turnover at this organisation since year 2010-2012.
2. What skills have been particularly lost in your organisation?
3. How much value do you attach to the skills you are losing?
4. What do you think are the main causes of the labour turnover?
5. As management can you relate productivity levels to labour turnover?
6. Do you think that your productivity levels have been compromised by employee turnover?
7. What are the major impacts of labour turnover as a result of this turnover?
8. What has the management done to control labour turnover?
9. What the challenges of managing labour turnover?
10. How often does the management review the strategies currently in place?
11. Do you have any other comments you would like to make that would help me in my assessment of the impacts we have discussed?



