

Investigating the turnover of middle and senior managers in the pharmaceutical industry in South Africa

Authors:

Abofele Khoele¹
Preeya Daya¹

Affiliations:

¹Graduate School of Business, University of Cape Town, South Africa

Correspondence to:

Preeya Daya

Email:

preeya.day@gsb.uct.ac.za

Postal address:

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Orientation: Today, knowledge is a commodity and thus skilled knowledge workers, particularly in management positions, are vital for organisations' success; their increased turnover has an adverse effect on productivity and profitability. High staff turnover is a cause for alarm, not only because of the costs associated with recruitment, selection and training, but also due to the increasing scarcity of experienced talent.

Research purpose: This research investigates the reasons for the turnover of middle and senior managers in the pharmaceutical industry in South Africa in order to identify the possible reasons and formulate solutions to address the issue.

Motivation for the study: In South Africa, employment, retention and turnover occur against the backdrop of a history of discrimination and inequality and attempts by government and organisations at redress. The significance of this background cannot be underestimated.

Research approach, design and method: This study was qualitative and inductive to allow dominant themes to emerge from the raw data. Data was collected through in-depth, semi-structured one-on-one interviews as well as a review of company turnover reports and employment equity reports.

Main findings: The study found that in the sampled organisations, employee turnover averaged almost 22% per annum between 2007 and 2010. Reasons for the turnover include a range of industry, company and personal factors.

Practical/managerial implications: The overall turnover rate remains high, particularly amongst black knowledge workers, the attraction, recruitment and retention of whom is as important for addressing historical inequities in the local industry as it is for ensuring the diversity that companies need to reach a bigger market and gain a competitive edge. Further, as government is a significant purchaser of pharmaceutical goods and services, companies must ensure that the required Black Economic Empowerment (BEE) rating level is achieved so they can continue to win government business.

Contribution: The research found that it is important that the turnover rate of knowledge workers in the South African pharmaceutical industry be reduced through addressing the personal, organisational and industry factors that the workers themselves view as important, rather than giving consideration only to what human resource managers perceive as important. In particular, sufficient significance must be placed on personal factors.

Introduction

Employee turnover is experienced by all organisations at one point or another, with reported rates varying from country to country, between industries, as well as between and within companies (Mobscot Corporation, 2011). The common nature of staff turnover does not underscore its importance and the deleterious effects that high turnover can have on organisations (Glebbeck & Bax, 2004), particularly when it involves knowledge workers. In an age where knowledge is a commodity, skilled knowledge workers, particularly in management positions, are the competitive advantage that organisations depend on for future success (Samuel & Chipunza, 2009) and their increased turnover has an adverse effect on productivity and profitability (Chiboiwa, Samuel & Chipunza, 2010). Across the globe, high staff turnover is a cause for alarm (Morris, 2010), not only because of the costs associated with recruitment, selection and training, but also due to the increasing scarcity of experienced talent to replace that which is lost (Selome, 2008).

In South Africa, employment, retention and turnover occur against the backdrop of a history of discrimination and inequality and attempts by government and organisations at redress. The *Employment Equity Act* (Republic of South Africa, 1998) and the *Black Economic Empowerment*

Act (BEE) (Republic of South Africa, 2003), together with the sectoral charters, outline the various BEE targets for particular industries in order to facilitate transformation. It is argued by many that the high demand for specialised skills, together with key pieces of legislation that aim to address the demographic imbalances in the corporate landscape in South Africa, has resulted in an increase in staff turnover, particularly amongst knowledge workers (Kotze & Roodt, 2005; Vass, 2010). Further, inequality in the quality of education as a result of apartheid has caused a shortage of skilled black professionals, resulting in increased demand and high mobility of these individuals (Robinson, 2004). It is perceived that this high mobility further slows the rate of transformation in companies (Woocke & Sutherland, 2008).

Researchers and popular media alike have suggested that the regulations and skills shortages have jointly had a negative influence on the economics of the labour market in South Africa (Heymann, 2010), providing an unfair advantage to the designated groups¹, further perpetuating high turnover amongst these groups.

Globalisation has introduced many multinational players to the South African business context, who bring with them international practices and global mobility for knowledge workers. In a survey of major South African companies, turnover as a result of global mobility was the cause in 21% of the total turnover (Bennet, 2003).

Purpose

The pharmaceutical industry in South Africa is saturated, with multiple players in the field (The Economist Intelligence Unit, 2010). Most of the multinational organisations found in large markets around the world have a presence in South Africa, with only four local companies being listed on the Johannesburg Stock Exchange (JSE, 2011). The sector is knowledge intensive, requiring senior employees not only to be technical experts in a given field, but also to have the ability to manage often complex situations (N. Guliwe, personal communication, 02 March, 2010). These positions are critical in that they are the ones that execute strategy and ensure the smooth running of operations. However, the skills required to fill these positions are scarce (Van Zyl, 2009), resulting in an intense war for talent and increased staff turnover (Sanofi-Aventis, 2010). The critical nature and the low availability of this talent often means that vacancies remain open for long periods of time with companies absorbing the costs and loss of revenue associated with the vacancies (B. Letsoalo, personal communication, 07 April, 2011). There is also an under-representation of black people at management levels in the pharmaceutical industry: less than 20% of senior management are black (Pharmaceutical Task Group, 2010). The turnover of black professionals in particular is thus of serious concern to human resource managers.

1. Designated groups are those identified by legislation (black people, women and people with disabilities) for preferential selection and employment to address historical disadvantages.

There was therefore a need to investigate the turnover of middle and senior managers in the pharmaceutical industry in South Africa in order to identify the possible reasons for the turnover and to formulate solutions that businesses could apply to address the issue.

Literature review

Employee turnover refers to the number of individuals that permanently vacate positions within an organisation; it can be classified into voluntary (resignation) or involuntary (dismissal or retrenchment) turnover (Capelli, 2004). Voluntary turnover can further be classified into functional, which is beneficial to the organisation – resignation of a poor performer – or dysfunctional – departure of a productive worker – which is detrimental to the organisation.

Many commentators have described a variety of determinants of employee turnover. Organisational environment, defined as an enduring characteristic of an organisation which embodies the members' collective perceptions of their organisation (Moran & Volkwein, 1992), has been frequently associated with employee turnover (Kim, Price, Mueller & Watson, 1996; Kotze & Roodt, 2005; Samuel & Chipunza, 2009). However, work by Morrell, Loan-Clarke and Wilkinson (2001) suggests that any individual's mobility is tempered by prevailing economic climate and industry conditions, what Lee and Mitchell (1994) have described as market-related pull factors. This view is supported by Grobler and Warnich (2006), who determined that during economic upswings, the availability of jobs is high due to the prevailing conditions. Personal factors, which ultimately have the biggest impact on employee well-being, have also been highlighted as important drivers of employee turnover (Meyer & Allen, 1991).

Knowledge workers of the 21st century display occupational, rather than organisational, commitment, possess skills that are in high demand and are characterised by high mobility (Horwitz, Heng & Quazi, 2003). Friedman, Hatch and Walker (1998) opine that the idea of 'a job for life' has become an 'oxymoron'. The situation has changed so much in recent years, that Capelli (2000) has described this change in retention as moving from tending a dam to managing a river: 'the aim is not to prevent water from flowing, but to control its direction and speed' (p. 104).

This mobility is of great concern to organisations, as tangible and intangible knowledge and assets walk out the door with the worker when they leave (Kinneer & Sutherland, 2001). Turnover of knowledge workers, regardless of how it is classified, can thus affect the prosperity and competitiveness of an organisation (Samuel & Chipunza, 2009).

It is a commonly held belief that job-hopping for increasingly more lucrative salaries is widespread amongst black professionals as a result of companies needing to comply with employment equity regulations and BEE targets (Khanyile & Maponga, 2007). This perception that black

professionals are always seeking 'greener pastures' is perpetuated by anecdotes, such as the comment from the previous South African Reserve Bank governor, Tito Mboweni, who expressed his exasperation at recruiting competent black people, because 'no sooner have we trained them than they leave' (Oliphant, 2006) for other jobs and 'charge a premium for their services' (Robinson, 2004).

However, there is a growing body of evidence that suggests that black professionals are not primarily motivated to change jobs by higher salaries (Consumer Insight Agency, 2006; Cruz, 2006; Khanyile & Maponga, 2007). Booysen (2007) advances a range of reasons for the high turnover rates amongst black professionals (Table 1).

These findings are echoed by Khanyile and Maponga (2007), who found that discrimination and negative experiences are key challenges that face black professionals and are major contributors to the push factors that result in them changing companies. These are similar to reasons for employee turnover identified by international research, where lack of an inclusive environment and barriers to advancement are promoters of high turnover.

This research proposes to add to the body of knowledge on the reasons why professionals choose to stay with or leave their organisation within the pharmaceutical industry in South Africa, with particular consideration being given to black professionals.

Method

Research approach

This research aimed to study an area that has received little attention from South African researchers. The nature of the subjective and detailed data collected did not lend itself to quantitative examination, though future studies may seek to use quantitative methods to validate the conclusions from this study. This study was therefore qualitative and cross-sectional in nature, with a general inductive approach being employed to allow for findings to emerge from the frequent, dominant or significant themes inherent in the raw data, without the constraints imposed by structured methodologies (Thomas, 2003). Data was collected through in-depth, semi-structured one-on-one interviews as well as a review of company turnover reports and employment equity reports. Ethical approval for the research was granted by the University of Cape Town Graduate School of Business's ethics committee.

Design and participants

Six mid-sized and large pharmaceutical companies operating in South Africa were analysed. Interviews were undertaken with 18 individuals who had left organisations ('leavers') and 10 who had remained with their organisations ('stayers') to gain a better

TABLE 1: Reasons for turnover amongst black professionals.

Number	Reason advanced for employee turnover
1	Slow employment equity progress at management level and inconsistent progress across departments
2	Low commitment to employment equity from top management
3	A lack of cultural sensitivity
4	A white male dominant organisational culture that continues to exclude black recruits
5	Black people are selected as tokens with little delegation of real responsibility or authority

Source: Booysen, L. (2007). Barriers to employment equity implementation and retention of blacks in management in South Africa. *The South African Journal of Labour Relations*, 31(1), 47-71

understanding of the factors that led to their decision. In order to be better able to access the leavers, employees who had recently joined the organisation (in the previous 18 months) were approached to respond as leavers of their previous organisation. Those interviewed included employees who had been with the company for more than 3 years (stayers) and those who had joined the company within the previous 18 months (leavers) in various roles, including human resources, sales, marketing, medical, scientific, regulatory, finance, information technology, legal and supply chain, at middle and senior management levels (Table 2). The companies were randomly selected from a predefined group of organisations that are part of the broader pharmaceutical industry of South Africa. Criteria for selection were size of organisation, geographic location of offices, and availability and willingness of the organisation and employees to participate in the study.

The snowball sub-type of non-probability sampling was utilised. In non-probability sampling, the researcher selects the sample from the population using subjective judgement, rather than random selection (probability sampling) (Doherty, 1994). Snowball sampling is a technique of non-probability sampling in which a subject who is identified as meeting the criteria for inclusion in the study is requested to identify and recommend others who may be eligible for inclusion (Doherty, 1994). This is a useful technique to use when subjects may be difficult to locate, for instance recently appointed knowledge workers in the pharmaceutical industry, and when time and cost are important considerations (Cooper & Schindler, 2011).

Analysis

Qualitative research results in a large volume of data that is often detailed and contextual. Miles and Huberman (1994) describe three concurrent flows of activity during qualitative data analysis: data reduction, data display and reaching a conclusion. However, the inductive approach, which was utilised in this study, calls for data to be collected prior to codes being induced (Savenye & Robinson, 2002). This study followed the process of data collection, transcription and reduction, coding and analysis (Miles & Huberman, 1994). The software that was used in the analysis of the data is ATLAS.ti version 5.0 (a software package useful for the systematic analysis of unstructured qualitative data, assisting with coding, co-occurrence and mind-mapping).

TABLE 2: Sample demographics.

Group	Mean age		Gender		Race		Mean tenure (years)
	Years	Range	Male	Female	Black	White	
Stayers (<i>n</i> = 10)	45.2	36–59	7	3	6	4	7.2
Leavers (<i>n</i> = 18)	34.5	28–44	12	6	14	4	0.92
Human resource managers (<i>n</i> = 4)	50.0	44–55	0	4	2	2	-

Findings

From the review of company data, this study found that in the sampled organisations, employee turnover rate averaged almost 22% per annum between 2007 and 2010. Although there had been a steady decline since 2007, the overall rate remained high, particularly amongst black knowledge workers.

The results from interviews were coded into industry, company and personal factors that impacted employee turnover (see Tables 3–5). Table 6 shows a comparison of how these factors impacted on the retention or turnover of white and black employees.

Industry factors that affect employee turnover are factors that are intrinsic to the operating environment of all the companies in the pharmaceutical industry and that were deemed to play a role in individuals wanting to stay with their organisations or move on to another. The industry factors highlighted by the respondents included the economic climate, job security, skills shortage and transformation (Table 3).

Organisational factors that impact employee turnover are factors unique to an individual company or subset of companies within the industry that through their presence or absence have an effect on turnover and retention. Manager relationship emerged as an important factor determining employee turnover in the sampled population. This factor was followed by organisational culture, dissociation between management and workers, unfavourable work environment and diversity (Table 4).

Personal factors that influence turnover are those determinants specific to individuals and could relate to non-work aspects. These include dynamics such as career growth and progression, remuneration and distance from home to work (Table 5).

In terms of the factors that influence retention (stayers) and turnover (leavers), the research (Table 6) revealed that although industry and organisational factors were important, personal factors were the critical determinants of turnover. Individuals reported being able to tolerate some negative organisational factors, but if the personal factors were not adequately addressed, they would leave the organisation even in unfavourable market conditions. Overall, black employees emerged as the group with the highest turnover in the sample investigated, whilst white employees were the group with the highest retention rate. Black employees were largely driven to leave by negative organisational factors and appealing industry factors. Retention was positively impacted

TABLE 3: Themes emerging from industry factors.

Factor	Themes
Industry	Economic climate
	Job security, retrenchments, 'last in first out' principle
	Non-availability of better jobs
	Skills shortage
	Industry networking and social networks
	Transformation
	Employment equity policies and legislation

TABLE 4: Themes emerging from organisational factors.

Factor	Themes
Organisational	Manager relationship
	Organisational culture
	Disconnect between top management and lower levels of staff
	Environment that embraces learning, respect, open communication and change
	Diversity
	Lack of a trusting environment
	Work-life balance

TABLE 5: Themes emerging from personal factors.

Factor	Themes
Personal	Career development
	Money
	Congruence of organisational and personal values or purpose and meaning
	Travel opportunities
	Flexible working hours

by white employees who were threatened by industry factors (such as employment equity and transformation) despite a negative perception of their organisations.

In contrast, human resource managers were unanimous in their perception that the main factor causing employee turnover, particularly amongst Generation X² knowledge workers, was money. In their view, the materialism that is prevalent in the South African society is fuelling the constant demand for higher salaries, a situation that is exacerbated by the skills shortage. Consequently, companies are cornered into paying top dollar for the talent. They did not see race or gender as a factor as the rarity of skilled talent makes selectivity a luxury.

From the review of exit interview reports and aggregated analyses, five areas emerged as being important determinants of turnover in the companies reviewed (Figure 1). In the majority of the reports examined, leavers cited money as the primary reason for leaving their organisation for another company. A composite of other variables such as avoidance of disciplinary hearings, restructure or acquisition and

²Generation X (or Gen X) is generally considered to refer to people born between 1965 and the early 1980s.

TABLE 6: Number of responses by major code.

Factor	Race	Stayers		Leavers	
		Positive sentiment resulting in stay decision as a % of coded responses in theme	Negative sentiment resulting in stay decision as a % of coded responses in theme	Positive sentiment resulting in turnover decision as a % of coded responses in theme	Negative sentiment resulting in turnover decision as a % of coded responses in theme
Industry	Black	13.3	13.3	33.4	0.0
	White	13.3	20.0	6.7	0.0
Organisational	Black	6.8	20.3	15.3	35.6
	White	1.7	11.8	5.1	3.4
Personal	Black	22.6	0.0	29.1	20.9
	White	11.3	0.0	12.9	3.2

discontentment with strategy, values or environment made up 15% of the determinants in the data reviewed. Lack of future prospects and relationship with the direct manager were also important reasons why people left.

Discussion

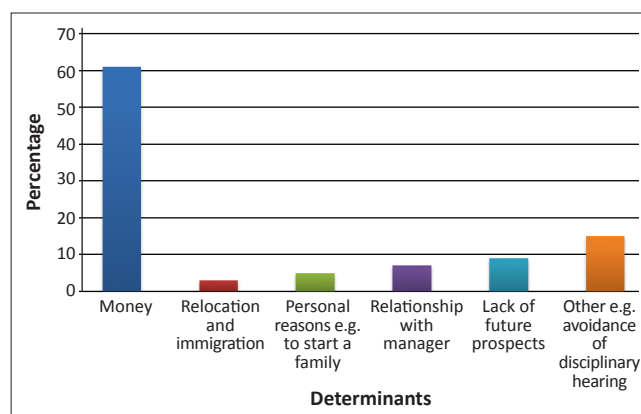
Outline of results

The turnover of middle and senior managers in the South African pharmaceutical industry was found to be high. The turnover of knowledge workers in the pharmaceutical industry in South Africa is higher than that of other workers in the same industry, other knowledge workers in other sectors in South Africa and also knowledge workers in the pharmaceutical industries of developed markets. The sample turnover rate of 22% amongst knowledge workers was significantly higher than the industry average of 15% in a Deloitte study (Aspen Pharmacare, 2011). This observation is supported by Horwitz *et al.* (2003), who argue that knowledge workers tend to have a higher turnover rate than non-knowledge workers because of their unique attributes. Although the average employee turnover of knowledge workers in the pharmaceutical industry has been on a downward trend, the rate remains high – and is increasing – amongst black knowledge workers.

Practical implications: Industry factors

Respondents in the research highlighted several industry-related factors, such as economic climate, skills shortage and industry interactions, as being key determinants of staying or leaving, quite independent of what was going on within the organisation or their personal lives.

The economics of the labour market dictate that when demand is low, as was the case in the recent economic downturn, employee turnover is also low. However, when the economic environment was juxtaposed with the skills shortage prevalent in South Africa, the picture that was seen was one of decreased, but not low, staff turnover. This highlights that in the pharmaceutical sector, the economic climate does play a role in the individual's decision to remain with or move from their organisation, but to a lesser extent than in industries where there is a greater supply of skills. This finding is corroborated by the work of Kotze and Roodt (2005) and Morrell *et al.* (2001), who posit that labour supply and demand, job search theory and job mobility are functions of the prevailing market conditions.



Source: Authors' own creation

FIGURE 1: Determinants of turnover from exit interview reports.

South Africa is experiencing a general skills crisis, especially in relation to the retention of knowledge workers (Kerr-Phillips & Thomas, 2009). Scarcity of skills stimulates the open competition for talent (Capelli, 2000) and drives turnover higher. In order to entice knowledge workers from other organisations, companies are required to present meaningful proposals to the would-be targets, which usually includes a high salary package and other non-financial benefits. The human resource managers interviewed during this research process stressed that the growth of the industry was being hamstrung by the lack of appropriately skilled individuals. However, it also emerged that the organisations involved in the research were doing very little to address this issue and instead resorting to stealing each other's high potential candidates.

The uniqueness of investigating employee turnover in the South African context is in the history of the country and the various pieces of legislation that have been enacted in an attempt at redress. Apartheid era labour laws disrupted the market dynamics in favour of the white minority, whilst the current equity laws (taken in totality) aim to do the same to advantage the black majority (Thomas & Jain, 2004). This pendular change in legislation to favour black people came through very strongly from white respondents, one of whom said:

'There is a demand for black employees because of equity laws. The rest of us have no chance, even if I am a woman.'
(female, white, 41)

Employment equity has impacted the different race groups differentially (Wocke & Sutherland, 2008). It has instilled fear of discrimination and limited career prospects in white

employees, and stirred the anger of black employees at the slow pace of change, resulting in increased employee turnover, defeating the purpose that the laws were intended to achieve. The differences in views between black and white people can lead to latent discontent and tension (Thomas, 2003). These polar sentiments were well illustrated by the respondents in this study, with white interviewees expressing despondency, and sometimes anger, at current equity policies, whilst black respondents felt betrayed by the lack of will to implement policies appropriately. In their papers, Khanyile and Maponga (2007) and Cruz (2006) also highlight hostile environments as a key driver of employee turnover, whilst Frost (2002) puts forward the idea that employment equity legislation is causing an imbalance in the economics of the labour market by inflating the demand for people from designated groups, fuelling the war for talent and the turnover rate.

The effects of these laws on employee turnover are appreciated by the human resource managers and employees alike. However, it seems that organisations are not doing enough to educate their employees on the necessity and benefits to industry and society of addressing the past imbalances; that could be an important starting point to ensuring that fears and anger are not factors that unduly influence turnover.

Practical implications: Organisational factors

Organisational factors that emerged as important themes in the turnover decision of knowledge workers during this research were culture, transformation and manager relationship.

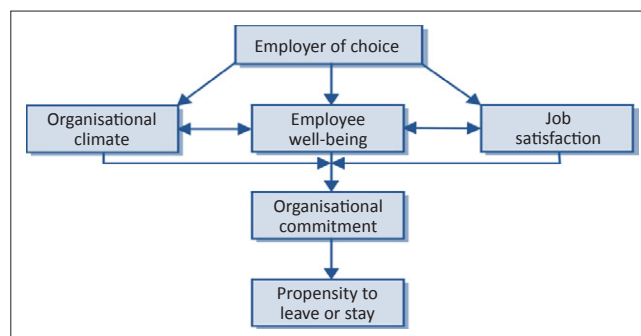
Organisational culture is defined as a pattern of shared basic assumptions that are learnt by the group, that work when applied in problem solving and are taught to new members as the correct way to interact and solve problems (Schein, 1992). Positive organisational culture has been found to have a significant positive correlation to commitment and decreased turnover (Lok & Crawford, 1999). This is supported by the findings of the study where a respondent noted that:

'If I didn't like the culture, I'd (leave).' (male, white, 32)

Company culture has been found to be as important as, if not more important than, money in improving retention and decreasing turnover (Logan, 2000).

The effect of organisational culture on turnover is well illustrated in Veldman's model (Figure 2) (Kotze & Roodt, 2005), in which culture is described as the macro-environment in which the employee is expected to conduct their daily tasks. If this is found to be lacking, there cannot be a long-lasting employer-employee relationship.

Whilst it is important to have a culture that is conducive to retaining talent, it is equally important to ensure that the culture is aligned to the company values and that there is shared meaning and experience of the organisation's culture from the top to the very bottom. This can only occur if the company culture involves open and candid communication.



Source: Kotze, K., & Roodt, G. (2005). Factors that affect the retention of managerial and specialist staff: An exploratory study of an employee commitment model. *South African Journal of Human Resource Management*, 3(2), 49

FIGURE 2: Veldman's employee commitment model.

Where this is not the case, it comes across as:

'A great divide between what management says and what actually happens.' (male, black, 39)

The lack of open communication, shared meaning and common experience of company culture is implicated by Burton (2006) in over 80% of turnover decisions.

Transformation of organisations and of the South African pharmaceutical industry is based on legislation that is aimed at addressing the imbalances of an unjust past and is closely related to organisational culture and diversity (Booyesen, 2007). Diversity of an organisation is important in sustaining the momentum of transformation. A study by Ng and Burke (2005) found that the lack of 'similar' individuals in positions of authority resulted in their continued exclusion in organisations. Also, high potential candidates from under-represented groups are more likely to join companies that are known to embrace diversity than those that do not, increasing the pool of talent in diverse organisations, as illustrated in a comment from an interview respondent:

'It is relatively important for me not to be the only black person in the group. I don't want to be the odd one out.' (male, black, 28)

Wocke and Sutherland (2008) describe social identities in the workplace, through which people identify and group themselves and others in the work setting. They propose that if one finds oneself in an extreme minority, this has a significant disruptive effect on the psychological contract, with the outcome being employee turnover.

More and more, individuals are choosing which organisation to work for:

'Partly for their diversity.' (female, black, 35)

As the team becomes more diverse, the management becomes more diverse, resulting in a well-functioning, diverse and transformed organisation (Robinson & Dechant, 1997). This is of particular importance in the South African context as local business leaders will need to develop skills to effectively manage a multicultural and multi-ethnic workplace, divorcing it from the Eurocentric environment

that is perceived as hostile by black employees (Prime, 1999). Many black respondents reported the lack of diversity and transformation as an important factor that led them to leave their organisations.

Employee relationship with the manager surfaced during the interviews as an important variable that determines turnover. In the interviews, it came out clearly that, ultimately, it is the managers who determine whether an employee has a pleasant experience in the organisation or leaves for another organisation. Dobbs (2001) asserts that a knowledge worker's length of stay in an organisation is determined by the relationship with their manager. This causal relationship was demonstrated by a respondent who commented:

'I hated my boss. That's why I left.' (male, black, 30)

Mayo (1933) takes this further, positing that not only do they impact on turnover and retention, but friendly teams and supportive supervisors also result in employees outperforming their peers with less supportive manager environments.

Respondents who had changed jobs as a result of a poor relationship with their manager reported poor communication, lack of direction and feedback and lack of agreement on development goals. These are in line with what Heathfield (2008) found to be frequent employee complaints regarding their managers.

Practical implications: Personal factors

During the interview process, personal factors were noted as the most important aspects that individuals consider in their decision to remain with their organisation or move on to another. After coding, career opportunities, personal values and remuneration emerged as areas that required consideration.

Knowledge workers are continually searching for knowledge and new skills and they want opportunities to advance within their organisations in order to apply and develop these skills. The advancement may be upward or lateral, but what has been made clear from this research is that if knowledge workers cannot advance within their organisations, they will move to one where their expectations will be met. Opportunities to advance their careers emerged as an important factor to stay for those who had stayed, or to leave, if the opportunities were absent. It is well documented in literature that a work environment that fosters growth and development is critical to reducing turnover rates (Benson, 2006; Jamrog, 2004). Many of the respondents who had remained with their companies quoted experience, ahead of anything else, as a key motivator to continue employment at a particular organisation. In their paper, Birt, Wallis and Winternitz (2004) note that advancement opportunities are one of the five most important intrinsic factors for retention. This is supported by other local research, which has demonstrated that in South Africa, development of a long-term career is a major driver of employee loyalty (Markinor South Africa, 2003). Kinnear

and Sutherland (2000) concur, proposing that a lack of career advancement is a leading cause of employee turnover. All respondents in this study considered career development and advancement as key, as exemplified in the comment:

'For me the move was a career-motivated decision. Staying there any longer did not make much sense, especially as there was no benefit to my career to stay there much longer.' (female, black, 37)

Kerr-Phillips and Thomas (2009) have identified a complex relationship between intention to resign and unmet career expectations. As highlighted by some of the respondents, failure of the organisation to fulfil promises that were made at recruitment, particularly pertaining to advancement, can have a deleterious impact on the employer-employee relationship. Individuals will not seek external challenges and opportunities for advancement if their organisation plays an active and participatory role in their career development (Rosenwald, 2000). This is particularly true for high potential employees who do not leave their jobs for money, but will seek opportunities to rapidly develop their careers (Brocksmit, 1997; Glen, 2006).

One of the defining characteristics of knowledge workers is that they develop their careers independently of their organisations through education, rather than through company training and career development programs (Despres & Hiltop, 1995). So when the organisation does not support efforts to study further, these individuals do not hesitate to change employment:

'I was also promised that I can pursue further studies, and when the time came, there were issues, so I couldn't do that. Also, I was not happy with the environment at the time, and opportunities came up, and I left.' (male, black, 33)

The pharmaceutical industry is involved in the healthcare value chain. Unsurprisingly, the people employed within the industry feel that their work must have purpose and meaning, and should be directed towards the betterment of human life. This was highlighted by a number of the respondents, even those who were not directly involved with patients or product. The importance of this desire for meaning is emphasised by Moses (2000) as a critical factor in retention and turnover as people want to feel that their work has a purpose and that their activities are adding value to the company.

Further to meaning and purpose, an individual's values are of importance in determining employee turnover. In what has been termed 'person-organisation fit', the congruence of the values and expected behaviours at an organisation with those of the individual is essential to ensuring a lasting relationship. Cited in Ng and Burke (2005), Murray (1938) notes that where there is a disconnect between organisational and personal values, personal fulfilment will be stifled, resulting in a decision to exit the organisation.

The process of defining person-organisation fit begins during the course of application and recruitment, a point that is

often lost on both the applicant and the employer (Ng & Burke, 2005). This awareness seems to be increasing, with a number of respondents reporting that value congruence is on the checklist of non-negotiable items when they seek out new organisations:

'I wouldn't say I am deep or anything, but the company vision, mission and values have to talk to me.' (male, black, 35)

'I also look at the company values, to see if they are in line with mine.' (male, black, 30)

The reason that most people engage in employment is to earn a living so as to support their lifestyles and families. However, literature indicates that despite this, money is not a key factor for many knowledge workers (Brocksmith, 1997; Glen, 2006; Griffeth, Hom & Gaertner, 2000). This has been substantiated by respondents in this research, who consider money important, but not primary to the engagement with their employer:

'I won't work for nothing.' (male, black, 37)

Although some local literature has proposed that high turnover, particularly amongst black professionals, is fuelled by a desire for better pay (Biyela, 2007; Maisela, 2001; Selome, 2008), this has not been borne out in this research. In fact, the findings from this study show overwhelmingly that money does not have a decisive role in the retention and turnover of knowledge workers in the pharmaceutical industry. However, data from exit interviews indicates that leavers single out money as a reason to leave in over 60% of cases. When one respondent (male, black, 40) was questioned about this, he stated that he was guilty of reporting money as the primary reason for his departure, as he was uncomfortable informing his previous employers that he was leaving due to the lack of transformation and the open hostility that he felt.

There was a notable difference in perception and thinking between respondents who were younger than 40 and those who were older than 40, particularly in their attitude to employee turnover. The younger cohort was more focused on their careers and ensuring that there is career development and growth and so were not afraid to change jobs to guarantee this, whilst the older cohort was concerned with job security and pension funding and thus had extended tenure in their companies. This difference is illustrated in the variation in the age demographic between the two groups: the average age of the total sample was 38.3 years (range 28–59), the leavers cohort had a mean age of 34.5 years as opposed to the 45.2 years of the stayers cohort. Although in their paper, Healy, Lehman and McDaniel (1995) found no correlation between age and turnover, Werbel and Bedeion (1989) and Price (1977), as cited by Sahu and Gupta (1999), found that age has a powerful independent effect on retention and turnover, with older employees tending to stay whilst younger ones moved

There also seems to be a relationship between tenure and propensity to stay within the organisation. The longer that an individual was with an organisation, the more likely they

were to remain, whilst the leavers also had shorter tenures at previous employers. Findings by Sahu and Gupta (1999), Gerhart (1990) and Price (1977, cited in Sahu & Gupta, 1999) illustrate a direct positive relationship between tenure and intention to stay. This was borne out in the findings of this research.

Limitations and recommendations

The limitations of this study include the sampling methodology, which was non-probability sampling. This sampling technique cannot claim representivity of the population with certainty. Also, qualitative research by its nature depends on subjective interpretation either of the questions asked or the answers given, which can limit the vigour of the findings. Lastly, subjective judgement, rather than statistical methods, was used in sample size determination.

This study has highlighted important areas of concern that will require further investigation. Future research could explore larger sample sizes and quantitative methodologies in order to measure and compare the effects of these factors on employee turnover in the pharmaceutical industry. Prospective studies could also investigate causal, dependency and other relationships between the factors identified in this research. Scope also exists to expand this type of research into other sectors that depend on knowledge workers, as well as to look at smaller organisations where some of these factors and their effects may be amplified.

Conclusion

This research set out to investigate the reasons for the turnover of knowledge workers in middle and senior management positions in the pharmaceutical industry in South Africa. An initial literature review suggested that black knowledge workers had a higher turnover than their white counterparts, that money played a central role in the turnover decision and that employment equity legislation had a major influence on the economics of the labour market and consequently, on employee turnover.

This study found that many of the factors that influence turnover in South Africa are similar to those found in other parts of the world. These include prevailing economic conditions, organisational culture, manager relationship, personal values and career growth. However, other uniquely South African factors such as transformation and skills shortages emerged as important determinants of turnover. From the study, there is a difference in perceptions with regard to transformation as a factor causing turnover between black, white and human resource management respondents. This difference itself can lead to increased turnover if not appropriately managed. Unlike other local studies, this study did not find money to play a major role in the turnover decision of respondents.

From this research, it can be concluded that there is a complex relationship between industry, organisational and

personal factors and how these come to play to cause an individual knowledge worker to reach a decision to leave or remain with their organisation. However, of these, personal factors are regarded as the most important by knowledge workers.

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Competing interests

The authors declare that they have no financial or personal relationship(s) that may have inappropriately influenced them in writing this article.

Authors' contributions

A.K. (University of Cape Town) conducted the research as part of his Master of Business Administration (MBA), which was supervised by P.D. (University of Cape Town).

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