

**THE EFFECTIVENESS AND IMPACT ON  
ORGANISATIONS IN REQUIRING EMPLOYEES TO  
WORK DURING THEIR NOISE PERIOD.**

**by**

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## **DECLARATION**

I Refiloe Monaheng, declare that the contents of this research paper represent my own unaided work, and that this has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the University of Pretoria

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**Signed**

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**Date**

## **Abstract**

Research Objective: The study looked at the benefits and impact of requiring employees to serve notice period once they have resigned.

Motivation of the Study: An employee deciding to leave an organisation can cause work interruptions and a corresponding loss of productivity. The main aim was to look at whether it is beneficial for employers to expect employees to serve notice and assess the risks and benefits thereof.

Method: This study collected and analyzed data retrieved from semi-structured interviews conducted with eight participants. These participants were sampled from two State owned companies, within the defence equipment acquisition and manufacturing environment.

Results: The results in the study highlighted best practices in optimizing performance. The focus was mostly on skills and knowledge transfer, retaining of important information, risk of wastage, loss of information as well as productivity of notice serving employees.

Conclusion: The common practice in most organisations is for employees to serve a notice period after a termination of a work contract. Monitoring notice periods and processes involved in serving notice is important and should be well managed. This will assist in minimizing the risk of losing skills and knowledge when an employee resigns. The protection of company assets in the form of intellectual property and confidential information related to the organisation's practices should be an area of concern when an employee is leaving the company.

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## **Abbreviations**

<b>BCEA</b>	Basic Conditions of Employment Act
<b>CCMA</b>	Commission for Conciliation Mediation and Arbitration
<b>EVLN</b>	Exit Voice Loyalty Neglect
<b>HR</b>	Human Resources
<b>IT</b>	Information Technology
<b>LRA</b>	Labour Relations Act
<b>SOC</b>	State Owned Company



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## **CHAPTER 1: Notice period**

### **1.1. Introduction**

Samfiru (2014) describes notice period as the time from the date on which notice of termination is given to an employer or employee to either party until the date on which employment will terminate. Modise (2014) reported that a common practice in the labour market is that; "once an employee has resigned or been dismissed, they are at times expected to serve a notice period". This usually depends on the employees' length of working period within an organisation and the seriousness of the offense leading to dismissal as well the employee's age and job functions at the time of termination.

In the South African context, section 38 (1) of the Basic Conditions of Employment Act 75 of 1997, (hereinafter the "BCEA"), permits employers to pay employees the remuneration an employee would have received, instead of serving notice. This remuneration is calculated in accordance with BCEA 1997, s 35 (1) which states that an employees' wage is calculated by reference to the number of hours the employee ordinarily works. BCEA 1997, s 38 (2) also states that "if an employer waives the notice of an employee, the employer must pay the remuneration of the employee as referred to in subsection 1".

According to the BCEA 1997, s 37(1) (a-c) the following notice periods apply;

- (a) One week, if the employee has been employed for four weeks or less;
- (b) Two weeks, if the employee has been employed for more than four weeks but not more than one year; and
- (c) Four weeks, if the employ
  - (i) Has been employed for one year or more; or
  - (ii) Is a farm worker or domestic worker who has been employed for more than four weeks.

The Labour relations Act 66 of 1995 (hereinafter the “LRA”), states that a notice period can however be shorter if a collective agreement is entered into between employer and employee. A collective agreement as defined in the LRA described as “a written agreement concerning terms and conditions of employment”. This is an agreement entered into, between employer and Trade Union to reach consensus on certain employment terms and conditions (McGregor *et al.*2012). These conditions can for example include working hours where the employer and trade union would for example, agree on a 40 hour work week. Further to this they may include the time for starting and finishing a work day.

Maintaining the performance levels of an employee is a challenge that faces both the employer and the employee. First, it is important to understand the importance and use of a notice period. The main reason of a notice period is to protect the organisation and its resources and allows for the organisation time to recruit and find a replacement for the current job holder (Klotz & Bolino, 2016). For the purposes of minimizing disruption in the workplace, the sooner the person leaves the better (Morrison, 2010). Morrison (2010) believes that the psychological decisions the individual (employee) has made and the impact that this will have on their performance is an important aspect to look at. He believes that no matter how professional an employee may be, once that person has resigned or is dismissed and is serving notice they may not be as productive or efficient in performance due to the psychological disengagement. He also believes that to a lesser or greater extent the psychological association a person has with the job changes when a person opts to leave the organisation.

There have been many opinions regarding this particular subject, Morrison (2010) makes reference to a statement made by David Boyd, which states the following:

*“you can hardly expect someone working their notice to do so with the utmost vigor and enthusiasm but you have a right to expect ‘reasonable’ performance, so if they start coming in an hour late and taking 3 hour lunch breaks and / or doing next to nothing whilst at ‘work’ then it’s up to you / his manager to do just that and to invoke the normal disciplinary process if needs be. But if the employment is going to end anyhow, this might be considered a total waste of everyone’s time”.*

From the above statement, it is evident that employees may exhibit negative behaviors during notice periods. Lower productivity, increased absenteeism, lateness to work

and in extreme cases theft and vandalism is common when employees have emotionally and psychologically withdrawn from their employer (Ashkenazy & Daus, 2002). It seems that problems arising from employees working notice periods are risky. Pissarides (2001) stated that notice periods are seen to have more comprehensive insurance properties as opposed to severance pay. This means that by expecting employees to serve notice Pissarides (2001) believes that organisations can get more out of an employee than they have to lose, even with the risks mentioned. This could be due to the belief that overall, exiting employees may want to leave a mark in the organisation and perhaps perform exceedingly well in their final projects or work tasks during the last days (Martins & Martins, 2011). It could also be that some employees may need to handover to others and thus not only handing over the work but to some degree imparting the knowledge to their successor or stand-in. These statements are arguable since there are two opinions mentioned, which are that employees will exhibit negative behavior or positive behavior during notice periods. This study, however, will focus on all elements by reviewing the benefits and disadvantages of employees working during their notice periods in two organisations. Possible solutions will also be evaluated. Additionally, the study will also assess whether presenteeism and engagement of employees during their notice periods impact the organisation. For engagement, in this regard, one model that seems relevant for this study is that of Aravopoulou & Branine (2014) known as EVLN (Exit, Voice, Loyalty, and Neglect). This model or framework will be explored more in the literature study.

## **1.2. Problem Statement**

Employees are expected to perform in accordance to the performance standards of an organisation at all times (Sonnentag & Frese, 2002:4). In most cases these performance standards are measured by use of performance measurement tools available within an organisation. Once an employee has resigned or is dismissed those expectations may no longer be of importance because they may determine that their success within that specific job role are not relevant anymore. The research objectives below will provide an overview of the study of this paper.

### **1.3. Research Objectives and Questions**

The main purpose of the study was to determine whether employees can positively contribute to an organisation during this period or whether it is best to pay them off and let them go without serving notice. The study investigated the effectiveness of notice period policies, processes or procedures as part of exit practice for an organisation. The focus was also on the impact this has on organisations and establishing whether serving a notice period has a positive or negative impact. This helped in highlighting the value (if any) of allowing and expecting employees to serve notice period once their employment contract has been terminated. The value that employees serving notice add to the organisation will be evaluated.

- From the preceding, the following specific questions could be posed; what are the productivity levels of notice serving employees in an organisation?
- What are the implications of allowing resigned or dismissed employees to serve Notice period in an organisation?
- What are the advantages and disadvantages of allowing employees who have resigned to serve notice?
- What value do notice serving employees add to the organisation?
- What effect do notice periods have on the psychological decisions of an employee relating to their performance.

### **1.4. Importance of the study**

Klotz & Bolino (2013) states that even the best performing employees “Good Soldiers” tend to feel that they may engage in bad habits, such as slacking off during their last days of work in the job. This study will assist employers in considering and deciding whether to breach an employment agreement and pay employees off rather than allowing them to serve notice. It will provide insight and understanding on whether or not employees serving notice, pose a security risk to the organisation during notice

period, and therefore provide suitable solutions to the notice period policies and practices of the organisation.

### **1.5. Planned Structure for literature review**

The following structure will guide the literature review; the study will look at these aspects:

- Notice Periods in organisations.
- The importance of serving notice in organisations.
- Legislative and legal requirements of serving notice.
- Psychological change of employees during notice periods.
- Various attitudes evident.
- Performance standards of Notice serving employees.
- Alternative actions to counter notice period in organisations.

## **CHAPTER 2:**

### **Literature Review**

#### **2.1. Introduction**

Employees are often faced with a commitment of having to serve notice once they have resigned or have been dismissed from their employers. It is a common perception that employees serving their notice period are not necessarily productive during that period (Kuhn, 1992:119). Employers are also often faced with a dilemma of having employees who are disengaged, under-performing and showing no interest in their work at that point of exit (Pech & Slade, 2006). Thus risks such as waste of company resources, leaking of important information are a big possibility. It is often a common belief that employees often leave due to the negative association of that organisation or their actions. They will either leave voluntarily or due to disciplinary action having been taken against them (Pech & Slade, 2006). It is therefore a given assumption that those employees somewhat disengage from commitment to their tasks and expected work performance during that period. Often when employees leave, they are not likely to be assessed in their final month of service. More often, employees undergo an exit interview which generally records the employee's perception of the organisation, their experiences at work, their reasons for leaving and any other recommendations or comments they may have for that organisation. These can be both negative and positive responses. Exit interviews are an endeavor by the organisation to ensure that corrective action will be taken in areas where most exiting employees share the same views which will improve the organisation. The study assists in providing insight on the policies and practices that can be implemented to minimize the risk of wastage of company resources and safe keeping of important company information, especially in cases of employees who have been dismissed and those in critical top positions within organisations.

#### **2.2. Notice Periods**

Notice periods are stipulated in the BCEA (1997). The Act however does not make provision for a 24 hours' notice period. It stipulates periods ranging from one week to

one month depending on the period worked. A notice period is often stipulated in an employment contract and is guided by the BCEA (1997). The Act further permits employers to pay employees the remuneration an employee would have received as an alternative to the employee serving notice. In most cases paying the employee would be the preferred solution especially since most literature shows that employees are often not as productive as they would be if they were in full term employment. The purpose of the BCEA (1997) is to regulate and stipulate the relevant conditions of employment and promote fair labour practices as per the Bill of Rights and the Constitution of the Republic of South Africa (1996) (Nel & Werner, 2014)

According to Honeyball, S., & David, P. (2006) the employment relationship is usually regulated by an employment contract wherein the notice periods are stipulated and binds both parties to the agreed conditions. McGregor *et al.* (2012) points out that either parties can terminate the contract of employment by providing a notice of intention to terminate the contract, in writing". The notice period is thus expected to adhere to the period stipulated in the contract. The BCEA (1997) provides guidelines to the notice periods if they are not stipulated in the employment contract. There are various ways in which contracts can be terminated; these are discussed further in this study.

### **2.2.1. Notice periods and resignations**

Resignation is one of the ways in which employees can terminate employment. Once the employer has accepted the resignation, the employer may choose to allow the employee to serve the notice period or pay the employee's remuneration for the notice period (McGregor *et al.*2012). It is considered a breach of the employment contract when the employee ceases to perform their contractual services and/or duties before the end of the notice period. The termination of employment is therefore only finalized once the notice period has ended and not when the notice is given (Grobler *et al.* 2006). Therefore the employee is required to serve and provide services to the employer as per the agreed employment contract and job related tasks for example; if an employee is required to submit reports or deliver a presentation on budget and planned expenditures for the financial year to come, though the said employee will not



be with the employer, they would still be expected to perform on the required deliverables.

Other ways of terminating employment whereby employees are not necessarily required to serve notice is by mutual agreement between employee and employer, completion of the agreed task, inability of employee to perform, insolvency of the employer and as a result of retirement (McGregor *et al.*2012).

Strauss Daly Attorneys (2015) refers to a scenario where a notice is not given as per the provisions made in the BCEA. Daly, 2015 notes that, "if the employee fails to work the required notice period as per BCEA or contract of employment, the contract would have been breached". Breaching the contract therefore allows the employer to hold the employee to the contract through an order of specific performance or claim for damages and cancel the contract. In *Nationwide Airlines (PTY) Ltd v Roediger and Another 2008 (1) SA 293 (W)*, the Court per Horn J. confirms that "there are a number of situations in which decrees on specific performance may be ordered. These may be:

- The employment relationship.
- The employment contracts.
- The type of work to be performed in regard to the contract".

The consequences to the innocent party, should the service or performance not be ordered, maybe the hardship and prejudice to be suffered compared to that of the employee should it be granted.

In this matter Roediger was employed as a professional pilot at nationwide wherein he agreed to a three months' notice period stipulated in the employment contract. Roediger terminated his employment by writing a one-month notice that he was terminating his employment. The judgement in this case by Horn J ordered that Roediger (Respondent) serve the three months' notice as per the agreement, this judgement also took into account the potential harm that the one-month notice would cause to Nationwide Airlines (PTY) Ltd (Applicant). Matters considered were that the Applicant may find it hard to replace the respondent with a qualified pilot in a period of one month. Another factor that was considered was loss of the Respondent's performance may have led to cancellation of flights for the route worked and therefore

lead to a loss of almost R 1 million per flight for the company. It was therefore required that the notice period be served as per agreement in the employment contract.

This judgement was fair and just because it was in accordance to the agreed contract by both parties therefore the employer at their discretion had the right to either accept or decline the initial notice forwarded by the employee. The employee unfortunately has no authority to determine the notice period or choose for out payment.

It is often best practice to ensure that employment contracts clearly state the notice period which an employee is required to serve. Most organisation with scarce or critical skills such as in the case of Nationwide airline (PTY) Ltd would require a longer notice period to that prescribed in the BCEA. Hagan (2015) states that longer notice periods are usually to safeguard the organisation, by ensuring that enough time is allowed for the organisation to replace or train other employees

Another case worth mentioning is that of “*South African Music Rights Organisation Ltd v Mphatsoe (2009) ZALC 34*” which also addresses notice periods.

In this matter Mphatsoe rendered his resignation and notice period to start from 08 January 2008 to 31 January 2008. The employer, the South African Music Rights Organisation (SAMRO) expected a notice period up until 29 February 2008. The main argument here was regarding the notice period duration, whether it should have been one month or one calendar month. SAMRO claimed for damages from Mphatsoe for breach of contract. SAMRO advised that the termination of employment was invalid and did not comply with the employment contract, which stated that notice periods should be one calendar month which runs from the first day of the month to the last day of the month. However Mphatsoe disputed this interpretation and stated that he was expected to serve from 08 January to 8 February 2008. The following order was made in this matter:

“Van Niekerk J ruled that Mphatsoe (Respondent) breached the contract by failing to work until 29 February 2008 and that the Applicant was to pay the respondent his remuneration until 8 February 2008, the sum was equated to R 5 457, 12”.

For the court to award for damages as in the above case, it is important that the applicant provide compelling proof of damages that are easily identifiable, otherwise

without this, the case may be dismissed. The recourse for failure to serve notice on termination can be limited to a civil claim where the employer can claim for damages.

The above-mentioned case law illustrates that notice periods can cause conflicting ideas depending on the interpretation. It is in the best interest for employers to rather stipulate and differentiate the calendar month between the 1<sup>st</sup> day of the month to the last day of the month or from the day of resignation to the same day of the following month. Notice periods in the BCEA give the employer more rights than it does the employee to determine or decide on whether or not the notice period or request for severance pay instead. An article by Carty (2016) on notice periods states that the recent trends show that most employers tend to extend notice period in line with seniority or length service. He further states that in contradiction to this, some employers, tend to set longer notice periods for positions which are difficult to fill or replace. This often happens when the role or position being vacated is a scarce skill within the industry. However these terms need to be stated in the employment contract and agreed upon by both parties.

In a case between *Kalipa Mtati v KPMG services Pty Ltd (2016)* in relation to a disciplinary hearing whilst an employee had resigned and serving notice period. In this case the employers' policies and practices are proven to be null and void as the employee had already rendered to terminate her services with the employer.

Kalipa Mtati (applicant) terminated her employment contract by submitting a resignation letter on 5 September 2016, after she was informed by KPMG Pty Ltd (respondent) that an investigation into certain allegations against her was being conducted. The second letter dated 19 September 2016 was submitted after the responded informed Mtati (applicant) that disciplinary proceedings will be commencing. This letter stated that Mtati was resigning from KPMG with immediate effect. Whilst the notice to commence with the disciplinary hearing was set for 30 September, taking into account that Mtati's initial resignation and notice period according to the employment contract was three (3) months. The employer failed to acknowledge that the second resignation which was effective immediately superseded the first and therefore Mtati's service was terminated with immediate effective as well. The employer continued with the disciplinary proceedings, the applicant (Mtati)

disputed the fact that she could be disciplined as she was no longer employed by KPMG (Respondent). The chairperson of the disciplinary insisted that he had jurisdiction to continue with the hearing and subsequently found Mtati guilty on the charges and a sanction of summary dismissal was imposed, this case was referred to the Labour Court.

In the context of this case, Labour Court Judge Molahleli ruled that the respondent had no jurisdiction to discipline the Applicant following her second letter of resignation. He further stated that the disciplinary hearing held on 30 September was null and void, the respondent (KPMG) was ordered to pay the applicants costs. In making this ruling Molahleli took the following principles and common law rules, relating to termination of notice by an employee was taken into consideration:

“Notice of termination must be unequivocal – Putco Ltd v TV & Radio Guarantee Co (Pty) Ltd 1985 4 SA 809 (SCA) at 830E”.

- Once communicated, a notice of termination cannot be withdrawn unless agreed Rustenburg Town Council v Minister of Labour 1942 TPD 220 and Du Toit v Sasko (Pty) Ltd (1999) 20 ILJ 1253 (LC).
- Termination on notice is a unilateral act, it does not require acceptance by the employer – Wallis Labour and Employment Law para 33 at 5-10”. This rule is disputed by the applicants in so far as it applies to notice not in compliance with the contract”.
- “Subject to the waiver of the notice period and the possible summary termination of the contract by the employer during the period of notice, the contract does not terminate on the date the notice is given but when the notice period expires, SALSTAFF obo Bezuidenhout v Metrorail [2001] 9 BALR 926 (AMSA) at para [6].
- If the employee having given notice does not work the notice, the employer is not obliged to pay the employee on the principle of no work no pay; If notice is given late (or short), that notice is in breach of contract entitling the employer to either hold the employee to what is left of the contract or to cancel it summarily and sue for damages”. (SA Music Rights Organisation v Mphatsoe [2009] 7 BLLR 696; and Nationwide Airlines (Pty) Ltd v Roediger & Another (2006) 27 ILJ 1469 (W).

The main principle to note from the above is that an employer cannot discipline an employee who resigns from his or her employment. If the resignation is with immediate effect, the employer loses the right to discipline the employee, also with immediate effect.

### **2.2.2. Notice period and dismissals**

Ordinarily according to practice, when an employee is dismissed for misconduct, the employer dismisses with immediate effect. In such cases the employee is not required to serve a notice period. Breach of contract, an act of misconduct in the workplace is a significant sign of a broken trust relationship between employer and employee. LRA 66 of 1995, recognizes three legitimate grounds for termination of employment, these are conduct, capacity and operational requirements. These are fair reasons for dismissal, provided that the employer follows an appropriate disciplinary procedure, in line with the employer disciplinary policy and practice. According to the LRA 66 of 1995, in cases where the employee is dismissed for operational reasons, notice period may be required or if the parties agree; pay in lieu may substitute the notice period. . In cases of dismissal for operational requirements employees have an obligation to adhere to the terms or conditions of the employment contract. This may be an unpleasant situation for the employee, considering the fact that the termination may have not been the desirable act to take, however is circumstantial and for the benefit of the organisation. Employees may tend to resist such dismissals. In a case Paul Rogers v Exactocraft Pty Ltd (2014). Rogers (applicant), was dismissed for operational requirements. Mr. Rogers was on a fixed term contract with Exactocraft Pty Ltd (respondent) dismissal for operational requirements. Premature termination of his contract led to him claiming for compensation, severance pay and damages. Steenkamp J, in his judgement ruled in terms of section 84 (1) of BCEA, which entitles him to severance pay. Mr. Rogers had been in service with Exactocraft for 21 years, in 2010 he retired and was called back on a fixed term contract to assist with skills transfer as he had a specialized skilled

## 2.3. Performance Influencing Factors

### 2.3.1. Psychological withdrawals

#### a) The Psychological change of notice serving employees

It is generally expected that when employees resign from the workplace, they have taken a conscious decision that they no longer want to be part of that organisation. Naturally one would assume that the employees would disengage from their roles and responsibilities (Sonnentag, 2012: 115). Accountability in this state of mind is limited but can however still be managed by monetary obligations. For example, someone who may be working for a bank and serving notice cannot be negligent with money that needs to be reconciled and accounted for. If mistakes are picked up after the employee has left the organisation the employer can claim for the damages or loss, provided they are due to the employees' negligence, in a civil court (Moore *et al.*2012). According to Carty (2016) some issues that employers face with notice serving employees include the disengagement of employees from their work as well as the disparity between the notice period and the actual time that would typically be required to train a replacement. Most organisations include the notice period for the purpose of ensuring that there is a formal and effective transfer and hand over of the work and possible knowledge and skills sharing between the exiting employee and the incumbent. It is therefore important to effectively make use of the notice period by striving to achieve the balance between the employee's needs and that of the organisation (Carty, 2016).

Psychological withdrawal is a common concept among employees. It is assumed that when employees are in exit of the organisation, the first response is to withdraw from that organisation. This withdrawal refers to, *inter alia*, their work or tasks, the culture, office gossip and politics. Psychological withdrawal may include disengagement from work tasks or tardiness and lack of motivation, which may sometimes be interpreted as laziness. These forms of psychological withdrawal can also be referred to as presenteeism. Presenteeism is defined as reduced productivity and performance in the workplace due to an employee or individual's health condition (Brooks *et al.*2010). These health conditions refer to chronic illnesses such as diabetes, arthritis and other minor health problems such as colds and flu. An employee's performance may be

affected by these illnesses and my also affect the motivation of employees in the workplace, job design and satisfaction and the general environment and culture within the workplace. Brooks *et al.* (2010) mostly outlines presenteeism as connected to a health problem rather than pure disengagement from work. Several methods of measurement of presenteeism are applied in their paper, these include measures of productivity, however these measures are not object as they are mostly job or employer specific and can therefore not be used throughout occupations, industries and sectors. Brooks *et al.* (2010) explains the concept of EVLN as highlighted below;

#### b) Exit Voice Loyalty Neglect

There various concepts involving employee disengagement from work. The most interesting concept is the framework of EVLN (Exit, Voice, Loyalty, and Neglect). This framework suggests that there are various ways in which employees respond to dissatisfaction.

#### Exit

Aravopoulou & Branine (2014) cites that Exit is a basic act of leaving something that is undesirable to self. This means leaving a job or organisation, transferring from one unit to another (Mcshane, 2006). Rusbult *et al.* (1988) conceived exiting a job as not only resigning, quitting or leaving an organisation voluntarily, but rather also as searching for a different job and thinking about quitting. He believed that the psychological processing of considering leaving an organisation had some strength in influencing the turnover intent over time. The psychological form of exit established an important broadening of the original exit option. It can therefore be assumed that leaving an organisation is in a psychological sense, in the control of the employee due to the fact that it may not be the most viable option due to various barriers in leaving an organisation ([www.researchgate.net](http://www.researchgate.net)).

#### Voice

According to Aravopoulou & Branine (2014) voice is an attempt to change a dissatisfying situation, in contrast to exit. This is either done by making complaints and spreading negative energy instead of leaving the organisation. Naus *et al.* (2007) describes voice similarly to Aravopoulou & Branine (2014), they state that voice is an

attempt to change a state of affair, by protesting and seeking for public opinion and not only through petitions to management or superiors. This action is often done when the exit barriers are limited, whereby the employee or employees do not necessarily view exit as their first point of action or desire, but rather an action in the attempt to rectify that which they may be unhappy with. In the context of Van Dyne *et al.* (2003) Voice can be referred to as pro-social voice, because it is used in the effort of constructively and actively trying to improve the current conditions.

### Loyalty

Reflects a passive reaction of employees, who support the organisation and they hope and wait until the conditions will be improved. In most cases employees wait until the undesirable condition is resolved. Naus *et al.* (2007) states that often loyalty is not only related to remaining within the organisation until matters improve, but also refers to an employee's commitment after they have resigned. In ensuring that no stones are left unturned and that business will continue smoothly their commitment to handover is important. Loyalty increases the propensity of voice, because it creates a barrier to exit, however allowing room for voice to intensify in the effort of resolving any form of grievances that employees might have (Naus *et al.* 2007).

### Neglect

This is seen as a more destructive approach and is also seen as a passive response. Acts of absenteeism, being late for work, effort reduction in work and productivity are common in this response. Neglect has a high likelihood in resignations or dismissal situations Robult *et al.* (1982) and Levinson (1986) assumed that neglect behavior can exist in a work relationship and that neglect behavior could occur in this instant. Naus *et al.*, (2007) describe neglect as behavior that passively allows a relationship to deteriorate without making an effort to improve the situation or circumstance by addressing the matter.

In addition to this ideology, Dean *et al.* (1998) proposed an extension to the ENLV concept, with Organisational Cynicism, which is defined as a negative attitude towards one's employer. They define three dimensions, namely; the belief that the organisation lacks integrity, the negative affect toward the organisation and the tendencies to



disapprove the critical behavior toward the organisation that are consistent with these beliefs. This serves as self-defense in coping with unpleasant thoughts and feelings of disappointment about management decisions and actions (Reichers *et al.*1997).

#### **2.4. Notice period vs pay in Lieu of notice**

Basic Conditions of Employment Act – section 37 demands that an employer must pay an employee for his/her notice period if the employer does not want the employee to serve or work his or her notice period. Assuming that an employee works with confidential information and as such poses a potential risk for the company during the notice period. The company may require that the employee leave, prior to the completion of the notice period; provided that the employee is remunerated for the remainder of the notice period. Such a request from the employer will not be seen as a dismissal because section 38 (2) of the BCEA (1997) makes provision for such an arrangement. Should the employee on the other hand indicate that he or she is not willing to serve the full notice period then the employer does not have to remunerate the employee for the remainder of the notice period.

In the South African context, section 38 (1) of the BCEA (1997), permits employers to pay employees the remuneration an employee would have received instead of serving notice. This remuneration is calculated in accordance with section 35 (1) which states that an employees' wage is calculated by reference to the number of hours the employee ordinarily works. BCEA (1997 (s38 (2) also states that if an employer waives the notice of an employee, the employer must pay the remuneration of the employee as referred to in BCEA (1997), s38 (1).

There are therefore options which the employer can choose from regarding exiting employees, which is to either allow the employee to serve notice as the BCEA guidelines or contract of employment or pay employees their remuneration also referred to as time in lieu or severance pay. There are several factors that could determine the decision of the employer regarding the choice of allowing them to serve notice or to pay them out. These are described below:

## **2.4.1. Severance Pay or Pay in Lieu**

### **2.4.1.1. Dismissal due to poor performance**

If an employee has been dismissed due to poor performance, it would be impractical to expect that employee to work their notice period and expect productivity or good conduct. The most beneficial option for the employer would be compensation pay in lieu of notice.

### **2.4.1.2. Redundancy of Position or Role**

In cases where the employees' position or role has been made redundant there would be no reason to require that employee to serve notice as there would be no role for them to serve the notice in. In this case though the employer could have given notice prior to the position being redundant. The employee would have then been able to serve the required notice period.

### **2.4.1.3. Security Risk**

In circumstances where an employee poses a risk to the employer this is common in organisations where there may be sensitive information that the employee may have access to. Payment would be a better option than to allow employees to serve notice and risk information being leaked or stolen. They may be a business risk.

It is generally the employer's decision to make the call of pay in lieu or service of notice period. The employee is often a passive participant in this decision (HR Insider.ca.docx).

## **2.4.2. Working Notice Period**

Notice periods are usually communicated to employees in the employment contract. This period should be stipulated in clear, precise and unequivocal manner. Employers must try and ensure that these terms are understood so that confusion, conflict and dispute can be avoided (Hrinsider, 2015).

It is the standard expectation that employees serve notice in accordance to their service within an organisation. The general perception that employers have, is that

the employee owes the organisation their time in the workplace prior to them leaving. Strict measures such as the fact that employees serving notice cannot take vacation leave are put in place, prohibiting employees from taking leave. This suggests an act of entitlement for the service from the employee by the employer.

An employee's contract is not terminated until the notice period has been served. The employer therefore has the right to the services of the employee. Sociological questions are raised by the notion and trend of requiring employers to give employees the opportunity to look for jobs during their notice periods. These sociological questions include the judicial mandate of a social safety net in contrast to a public safety net. This therefore implies that if notice periods are seen as a social safety net, employers should then allow employees the opportunity to seek for other employment (Hrinsider, 2015).

A source from Hrinsider (2015) states that serving notice without working is for most employees not favorable. The source suggests that most employees prefer to serve notice and actually attend work as opposed to being paid out not to work for that duration of time until termination is granted.

## **2.5. Presenteeism**

The term presenteeism was first introduced as a novel idea in the Sri Lankan context. According to Warepitiya *et al.* (2016) presenteeism can in simple terms be defined as partial engagement to work. Presenteeism has started to gain a significant reputation in the academia domain and recently in the sphere of practitioners' literature as an important part in the modern business world. There has been a rapid development observable in the academia by paying special attention on the concept, in particular in the international context despite the fact that Sri Lankan business community has now given the minimum attention for this phenomenon (Garrow, 2016). There have been several definitions and description of the concept from various literature. According to Simpson (1998) Presenteeism can be defined as the tendency to stay at work beyond the required time needed to prove effective job performance. Hemp (2004) on the hand describes presenteeism as people continuing to work despite their sickly symptoms in

the workplace. A similar description was provided by Aronsson *et al.* (2000), they defined it as people being present at work even when they feel unhealthy. On the other hand in the dictionary.com 21<sup>st</sup> Century Lexicon (2003) presenteeism is defined as the presence of people in the workplace for longer hours, even when they have nothing to do. These descriptions are similar in the context of reduced productivity, it is common cause that when an individual is sick it is highly unlikely that they would perform to their full potential. In the latter dictionary description, it does not make reference to illness but rather to lack of productivity or activity in the workplace. Kratz (2004) confirms this by defining the term presenteeism as loss of productivity from employees attending work while suffering from a medical condition. Therefore presenteeism can be defined as limited engagement to work. Hemp (2004) mentions that the obstruction of an employee's performance is rarely found in presenteeism, as compared to absenteeism, where cost and losses are countable and visible. He further states that the cost of presenteeism is much higher than that of absenteeism, thus saving costs of presenteeism is economically beneficial as compared to cost of absenteeism. Galvao *et al.* (2016) further states that it is difficult to translate and quantify the direct and indirect costs of presenteeism within organisation. Due to the close relationship between presenteeism and absenteeism the inclusion of the costs of presenteeism is important because it recognizes the decentered employee expenses such as the costs associated with periods of friction between employer and employee (Galvao *et al.* 2016).

## **2.6. Presenteeism and productivity**

Research shows that people are significantly less productive when unwell (Garrow, 2016). Garrow (2016) states that people are often susceptible to make mistakes and infecting others in the workplace if they are present at work while sick. This potentially aggravates their condition leading to increased absenteeism. According to Garrow (2016) placing monetary value on presenteeism is complex and risky, however according to evidence from macroeconomic research and studies in United States and Australia, there are substantial costs which can be experienced throughout the economy and thus worth taking seriously. Presenteeism has been aligned to ill-health in the workplace, it is often that line managers and supervisors are not well equipped to deal with this and support the employees, by making work adjustments and

employee wellness interventions to help in mitigating the impact of presenteeism on productivity (Garrow,2016).

According to Gosselin & Lauzier (2010) the calculation of the cost of presenteeism is not straightforward, as the impact on productivity is dependent on the nature of the affliction as well as the type of job the employee holds. The cost of presenteeism is often considered to include reduced work output, errors on the job and failure to meet quality standards (Galvao *et al.*2016).

Lack of productivity from employees may have many sources, these include illness, work demotivation or external distractions faced by the employee. Burke & Esen (2005) believe that Human Resource profession can play a key and critical role in minimizing factors that may contribute to lack of productivity in the workplace. They further suggest that one of the leading factors contributing to low or poor productivity is poor management. To counter this, Burke & Esen (2005) suggest that training, performance monitoring of managers and encouraging managers to safeguard their subordinates' morale can improve productivity. By doing so workplace dissatisfaction and conflict can be minimized and contribute in increased workplace harmony and reduce the rate of resignations within organisations.

In a study conducted by Burke & Esen (2005) on workplace productivity one of the findings was that most Human Resource (HR) professionals believe that productivity is decreased by having employees report at work just to be and has a negative impact on employee morale, most employees believe that, that has no impact on their productivity, and almost half indicate it has neither a positive nor a negative impact on their morale. This finding suggests that HR professionals may want to focus more on other factors when trying to increase employee productivity or morale. HR professionals are often in a position to assist in assuring that technological advancements help in improving productivity, by ensuring employees can be reached when needed, while not decreasing morale by eliminating the line between work and non-work activities (Burke & Esen, 2005).

According to Collins *et al.* (2005) presenteeism is an invisible problem and can cause a great loss in productivity than absenteeism. Werapitiya *et al.* (2016) suggests that

employer perspective of presenteeism has received increased attention since it contributes in creating an ineffective workplace. The repercussions of the employer's perspective of presenteeism include lower productivity, lessened performance and great losses to organisations. Hemp (2004) states that it has been observed that presenteeism has a great effect on organisation and may drive any business to its natural death as a final outcome of reduction of productivity since the cost of presenteeism has been recorded as an iceberg model.

When employees decide to leave the company, they cause interruption and loss of productivity. The most difficult task for most organisations is to find the right person to replace the job and responsibilities. In most cases the interruption caused by employees who leave organisations cause uncertainty and reduced confidence in the organisations. These can however be minimized when properly managed, improve transition and employee responsibilities. It is evident that notice periods can pose problems to employers. Issues of resignation and displacement from work responsibilities play a high role in organisational success and morale in general. The BCEA (1997) is a key guideline to how exits within organisations can be handled, however the employers have their own options on contractual terms to regulate these terms and conditions. Generally most organisations have not assessed or quantified the value of requiring employees to serve notice period. It is only in positions such as in the above-mentioned case of *Nationwide v Roediger* that when an employee leaves employment and neglects to serve notice there can be calculated risks and monetary loss. Various factors lead to loss of productivity in the workplace as mentioned in this study, the EVLN model, concepts such as presenteeism and psychological withdrawal are common symptoms experienced by exiting employees and therefore negatively affect the employer either directly or indirectly.

While presenteeism is a relatively new field of research, early indications suggest that it is worthy of serious attention. The drivers, however, are highly contextual and organisations that want to reduce presenteeism need to understand why it is happening. Presenteeism has the advantage of relating more strongly to employee wellbeing than absence management. Paying attention and raising awareness about how to better support employees with ill health, whether through pre-emptive or responsive measures, can also be positioned within the employee value proposition.

## **CHAPTER 3**

### **Methodology**

#### **3.1. Introduction**

This chapter describes the research methods used for assessing the relationship between serving notice period and productivity of exiting employees. Research methodology refers to the set of procedures or method used to conduct research. This chapter also encompasses the theoretical framework, data collection and data analysis method. It is important to test the hypotheses in order to decide whether or not the implications inferred from a theory is tenable or can provide answers to the research question (Welman & Kruger, 2001). Research methodology can be defined as the general approach the researcher adopts in pursuing a research study (Leedy et al. 2010:12). Mouton (2001:56) states that the research methodology directs the research process and techniques to be used during the research study. This study evaluated and analyzed the productivity of notice serving employees. It focused on answering the question of whether it is viable to allow and expect employees to serve notice in an organisation. Data was collected by means of structured interviews. The goal of the study is to improve the understanding of the relevance of employee's exiting their organisations. The study demonstrated the importance of organisations possibly allowing for optional notice periods rather than compulsory notice periods depending on the outcome of the study. Furthermore, this study highlighted the benefits that employers have gained from employees serving their notice.

#### **3.2. Research Paradigm**

Paradigms are referred to as a framework of belief systems about the existence and nature of knowledge, often guiding the action of inquiry of researchers (Cohen & Crabtree, 2006). Struwig & Stead (2013) define research is a systematic inquest that investigates hypotheses, revise current knowledge and interpretation of studies, and poses new questions for future research to be explored.

Cohen & Crabtree (2006) refer to five different types of paradigms used in research such as positivist, interpretivist, critical or subtle realist, and feminist paradigms.

According to Kraus (2005) the positivist paradigm aims at discovering the knowledge and the objective of the study is independent of the researcher. In Positivism, knowledge is confirmed through use of measurement or observation. Another paradigm explained by Kraus (2005) is the constructivist view, in this paradigm data is obtained through the interaction between the subject of study and the researcher.

In this study the interpretivist paradigm was used to interpret and incorporate the findings into structured informative statements. Interpretivist paradigm recognizes and relies more on participants or subject of study, their experiences and views. The researcher in this paradigm relies more on the qualitative data collection methods (Creswell, 2003). The interpretivist paradigm primarily uses qualitative methods, through the use of data collection tools such as interviews, observations, document review and visual data analysis (Mackenzie & Knipe, 2006). In this study the Interpretivist paradigm was used to get a deeper understanding on the investigation of the value and contribution of notice serving employees to an organisation.

### **3.3. Research design**

#### **3.3.1. The purpose of the study**

The purpose of this research is to determine whether there is value in employees serving notice and determine their level of positive contribution to the organisation during this period.

In order to achieve the purpose, it is important to undertake an appropriate research method. Quantitative and Qualitative research often refer to the method used to collect and analyze data and the generalizations that can be made from the data (McMillan & Schumacher, 2006). The mixed method approach on the other hand incorporates both qualitative and quantitative methods. Creswell (2003) describes mixed method approach as the method of gathering numerical information from instruments and written information from interviews. In this way, both qualitative and quantitative information is represented in the database. Qualitative research uses a variety of tools for data collection; these include interviews, case studies, and experiences. Creswell (1994) defines qualitative research as an analysis method of understanding, centered round distinct procedural conducts of inquiry that explore a



social or a human problem. Qualitative approach is used by researchers to form knowledge claims based on constructivist perspectives, referring to multiple meanings of individual experiences, meanings socially and historically constructed, with the aim of developing a theory or design (Creswell *et al.* 2016). Frankel and Wallen (1990) states that qualitative research is descriptive in nature and is often preferred in the human sciences. Furthermore, Creswell (2016) states that researchers try to comprehend the background or context of the participants through visiting this setting and collecting the evidence personally. The overall aim of qualitative research is to study various social and cultural settings as well as individuals who dwell in these settings, thus gaining insight into their experiences, beliefs, values and characteristics thereby forming a comprehensive understanding into their behaviors (Du Plooy, 2001). Frankel and Wallen (1990) point out that qualitative data is collected in the form of words or pictures rather than numbers, thus qualitative research yields descriptive narration. Qualitative researchers, study subjects or concepts in their natural settings with the aim to understand and interpret the data based on what the participants bring (Denzin and Lincoln, 2000).

The data gathering method that was used in this study is qualitative through the use of semi-structured interviews to gain facts about the beliefs of people, their experiences, beliefs and feelings relating to employees benefits or impact they have while serving notice.

### **3.4. Theoretical Framework**

Theoretical framework is a conceptual model of how one theorizes or makes logical sense of the relationships among the several factors that have been identified as important to the problem (Grant & Osanloo, 2014). Theory refers to the collection of statements regarding the relationship between two or more variables with the aim of explaining phenomena, for example; human behavior (Welman & Kruger, 2001). In the context of this research the variables were looked at in depth.

### **3.5. Variables**

#### **3.5.1. Independent Variables**

The independent variable is the factor selected and manipulated by the researcher to determine the effect it has on the problem being investigated (Welman & Kruger, 2001). It is called independent because the interest of the researcher is on how it affects other variables. In this study the independent variable in this case is notice periods and time served for the notice period.

#### **3.5.2. Dependent Variables**

Welman & Kruger (2001) describe dependent variable as the factor observed and measured by the researcher to determine what effect the independent variable has on it. The dependent variable changes as a result of variations in the independent variable. Therefore the productivity or effectiveness of employees (dependent variable) may be influenced by whether or not there is a notice period served (independent variable).

### **3.6. Sampling**

The empirical analysis is to try and discover the relationship between notice periods and its effect on the performance or productivity of exiting employees. Ettikan, Musa & Alkassim (2016) describe two types of sampling methods, namely; Convenience sampling and purposive sampling.

Convenience sampling can also be referred to as accidental sampling. This sampling method involves sampling members of a population that are easily accessible and are willing to participate in the study (Pellisier, 2007). Convenience sampling would be characterized by research results that would not be different to results that would be gained from random samples or cooperative samples. According to Tongco (2007) purposive sampling on the hand helps in understanding a theoretical framework. Also referred to as judgment sampling, purposive sampling is mostly used in qualitative

research. In this sampling method the researcher selects people who have knowledge and experience on the topic of research (Ettikan, Musa & Alkassim, 2016).

Purposive sampling was the ideal method used in this study as it was a qualitative study, the sample that was chosen was specifically based on the knowledge and experience the participants have. A number of senior managers within the two chosen entities, within the defense acquisition and manufacturing industry were interviewed. This includes a sample of people within the organisations from the same levels of both companies, such as operating Divisional heads and line managers, ensuring that the same profile levels are interviewed from both State Owned Companies (SOC). A sample size of at least eight (8) people were interviewed from two SOC's herein after referred to as Company one and Company two. Both companies are expert acquisition agency for the Department of Defence (DOD). Company one offers expert services to the DOD as well as to stakeholders across the African Continent in line with its vision to be the premier defense technology and acquisition service provider for the South African Government and partners in the African continent and the world. The company's acquisition experience and capability has been in existence for over six decades. It has its own operational research institutes, test and evaluation facilities and industry capabilities to efficiently offer unique services to its client, which is the DOD.

Company two offers innovative defense, security and related technology solutions. It has a group of defense and aerospace divisions which offer these services to its clients. These services are achieved by designing, developing, integrating and supporting artillery, munitions, missiles, aero-structures, aircraft maintenance and various other services. The company has been in existence offering its defense capability for over 70 years and has built and acquired a reputation as a trusted and experienced supplier to many of its clients, both nationally and internationally

Both organisations service the same clients, which is the South African Defence force in acquisition and manufacturing of defense material and Equipment. The total number of employees in both organisations is approximately 1500 spread across the divisions and departments within the organisation. The participants will be selected purposefully because of their attributes for this research (Creswell, 2009).

### 3.7. Data collection method

Data collection is an important aspect of any type of research study. Thus, inaccurate data collection can impact the result of a research study and ultimately lead to invalid results (Welman & Kruger, 2001). In research, data is collected from various sources and a variety of methods or techniques are used in its collection.

Primary data is the specific information collected by the researcher and can be obtained from documentation such as exit interview script, interviews with participants and questionnaires (Creswell, 2014). In this study information was gathered by means of interviews and secondary data refers to the statistical material which is not originated by the researcher but obtained from someone else's records. For this study, the most appropriate data came from the primary data as the source of information.

However, the limitation of gathering data from interview participants was that at some point in the research it seemed that the data was sufficient, as it was based on opinions and not necessarily facts. With additional research on literature the data gathered was easier and sufficient for collation. The data was sufficient and therefore there was no requirement to increase the sample for more reliable and valid data and information. Some of the information was gathered from sources such as case law, journals and other similar periodicals as well as internet websites and online groups. This is a qualitative study, the table below illustrates the advantages and disadvantages of a qualitative study.

**Table 1: Qualitative study - advantages and disadvantages**

Advantages	Disadvantages
Obtain a more realistic view of the lived world that cannot be understood or experienced in numerical data and statistical analysis.	Drifting away from the original objectives of the study in response to the changing nature of the context under which the research is conducted.
Provide the researcher with the perspective of the participants of the study through immersion in a culture or situation and because of direct interaction with them.	Arriving at different conclusions based on the same information depending on the personal characteristics of the researcher.

Allow the researcher to describe existing phenomena and current situations.	Replication of a study is very difficult.
Develop flexible ways to perform data collection, subsequent analysis, and interpretation of collected information.	Research using human subjects increases the chance of ethical dilemmas that undermine the overall validity of the study.
Yield results that can be helpful in pioneering new ways of understanding.	An inability to investigate causality between different research phenomena.
Respond to changes that occur while conducting the study] e.g., extended fieldwork or observation] and offer the flexibility to shift the focus of the research as a result.	Difficulty in explaining differences in the quality and quantity of information obtained from different respondents and arriving at different, non-consistent conclusions.

Saunders *et al.* (2016)

### 3.7.1. Interviews

Interviews put a set of questions to a respondent face to face and the interviewer records the respondents' responses (Oltmann, 2016). Interviews can be structured, unstructured and semi- structured. These offer a versatile way of collecting data (Welman and Kruger, 2001).

According to Boyce and Neale (2006), qualitative research technique involves In-depth interviews with a small number of respondents to gather specific information on their perspective on a particular topic. There are three different types of interview techniques;

Structured interviews consist of the same questions answered by interviewees in the same order (Saunders et al., 2016).

Unstructured Interviews are considered to be less reliable as there is usually no preparation prior to the interview. This type of interview is usually biased, and a comparison between respondents is difficult to do as the questions are not entirely the same.

Semi-structured interviews have a combination of both structured and unstructured interviews. Semi-structured interviews involve a preparation of same questions to be

answered by the respondents, but also have follow-up questions of clarity (Dudovskiy, 2016).

In this study semi-structured interviews were used, when interviewing some of the managers. The profile of managers ranged from project managers, HR managers business development and security managers. These are all critical roles to the businesses, especially in relation to special secret information that may benefit the organisation in terms of business growth or be of detriment to it due to the delicacy of information and skills that may be lost through exit of employees. This allowed for the accurate collection of information on the views, perceptions and experiences. The following set of questions were asked in the interviews;

1. Employees are often faced with a commitment of having to serve notice once have resigned or have been dismissed from their employers.

1.1. What are your views on employees serving a notice period?

1.2. Do you think notice periods are relevant? Please substantiate your answer.

1.3. Should notice periods be optional or compulsory?

2. Employers are often faced with a dilemma of having employees who are disengaged, under-performing and showing no interest in their work at that point of exit. Risk such as waste of company resources, leaking of important information are a big possibility.

2.1. What are your sentiments on productivity levels of employees who serve notice period?

2.2. How are notice periods effective to the organisations success, growth and effectiveness?

2.3. What are the implications of allowing resigned or dismissed employees to serve notice period in an organisation?

2.4. What are the advantages and disadvantages of allowing employees who have resigned or dismissed to serve notice?

2.5. What value do notice serving employees add to the organisation? Highlight the benefits and risks?

3. Which of the following options would be effective and efficient in your opinion?

3.1. Paying severance pay to employees who have resigned.

3.2. Employees to serve notice and remain with the organisation until completion of the period. Please substantiate your answer.

4. How effective do you perceive the legislation, policies relating to notice periods to be with specific reference to your company?

5. What is the current exit practice for your company?

5.1. Would you say it is effective?

Basic Conditions of Employment Act – section 37 demands that an employer must pay an employee for his / her notice period if the employer does not want the employee to serve / work his or her notice period. Assuming that an employee works with confidential information and as such pose a potential risk for the company during the notice period, the company may require that the employee leave prior to the completion of the notice period; provided that the employee is remunerated for the remainder of the notice period. Such a request from the employer will not be seen as a dismissal because section 38 (2) of the Act makes provision for such an arrangement. Should the employee on the other hand indicate that he or she is not willing to serve the full notice period then the employer does not have to remunerate the employee for the remainder of the notice period.

6. On a scale of 1 to ten, 1 being the least and 10 being the most:

6.1. How would you rate the employees' productivity level during notice periods?

6.2. How would you rate disengagement?

6.3. How would you rate risk such as waste of company resources.

6.4. How would you rate leaking of important information?

### **3.8. Data analysis**

In analyzing the data Braun & Clarke's (2006) thematic analysis was used. The thematic analysis was the most suitable, due to its flexibility. The phases which were

in this study is the acquaintance with the data, creating first codes by looking for themes, analyzing the themes, defining and naming the themes and finally finalizing the report. Braun & Clarke (2006) six step process was followed in analyzing data and eventually writing the report and findings. Below is a detailed description of the process followed:

### **Step 1: Becoming familiar with the data**

In this step the researcher thoroughly reads through the data from the transcripts to gain better understanding and general perception of participants regarding the topic. This step enables the researcher to concisely interpret the data. Jotting down notes and making summaries of the main and common concepts of the transcriptions assisted for generating initial codes in step 2(Braun & Clarke, 2006).

### **Step 2: Generating Initial Codes**

In generating initial codes. The notes deduced from step 1 assist in organizing data in a meaningful and systematic way, to cut down the data into smaller meaningful segments. The common constructs deduced are then specified into codes. As the researcher worked through the codes she managed generated new codes and modified existing ones. (Braun & Clarke, 2006).

This was done by hand initially, working through hardcopies of the transcripts using pens and highlighters. Other tools that can be used to code and identify themes effectively is Microsoft excel (Bree & Gallagher, 2016).

### **Step 3: Searching for themes**

Braun & Clarke (2006) define a theme as a pattern, capturing significant and interesting things about the data and research questions. Due to the small sample the codes and themes it was easier to collate and identify the themes. In this step codes and sub-themes were developed in order to make the data easier to interpret.



#### **Step 4: Reviewing the Themes**

During this phase revision, modification and development of the preliminary themes are identified, to check if they make sense (Braun & Clarke, 2006). The data relevant to these themes was gathered and grouped together for easy reference. Each theme was color-coded to be able to link data as the researcher proceeded with the analysis.

#### **Step 5: Defining the themes**

This step involved refinement of the themes and identifying what the main themes are and how the sub-themes relate to the main themes and then grouping them together. There were five main themes identified from the data in this study. Each theme and sub-theme were named based on the data received.

#### **Step 6: Writing the report**

The final step included writing out a report on the findings. The five themes and subthemes were featured in a structured dissertation format. The themes were reported using pie charts and graphs to show the results on the findings. Citations from the respondents were also included to substantiate the report and for the reader to get a better understanding of the formulation of the themes. The study focuses on the effectiveness and impact on organisations requiring employees to serve notice. Themes discussed in the report include; productivity of employees serving notice, the relevance of notice period, risk related to serving notice, exit practice and policies disengagement of employees serving notice as well as effectiveness of the application of the practice.

### **3.9. Limitations and Delimitations**

The limitation to this research was that some employees participating in the interviews were not entirely confident with the information they provided. Another limitation was that some of the respondents have not resigned from their employer in a long time. Therefore information provided was not entirely in relation to their own immediate experiences, but rather their observation of those within their organisation, especially considering the fact that they were in management roles and therefore understood the

implications that resignations have on the business as well as the implications, contribution, whether negative or positive notice serving employees have had in the organisation. The delimitation of the study is that the study was only be conducted two state owned organisations and therefore the findings are limited to those specific companies which makes the information more relative and easier to understand.

### **3.10. Ethical Considerations**

Ethical considerations are very important in this research. Making ethical considerations ensures that there is no fabrication of the information provided and that the information is accurate (Neuman, 2009). Appropriate ethical guidelines were followed. Ethics can be defined as the importance of the researcher's behavior in relationship to the rights of the participants (Saunders et al., 2009). Research ethics is linked to the entire research process; from the initial stage of planning and providing a definition of the topic, designing the study, gathering data, information analysis, interpreting the information and reporting on the findings in the most suitable and consistent way (Saunders et al., 2009). The interviews conducted were kept confidential and private. The participants volunteered to participate in the interviews in representing the chosen organisations. The participants were required to provide their consent by completing the consent forms for confidentiality purposes for this research. The information of the participants was kept confidential and objectivity throughout the research was maintained.

This chapter describes the research method which was used to conduct this research and gather evidence to prove the validity of the objective which is to determine the effectiveness and impact on organisations for requiring employees to serve notice. It also assists in determining whether such employees can positively contribute to an organisation during this period or whether it is best to pay them off and let them go without serving notice. The value that employees who are serving notice add to the organisation was established by asking selected participants on their opinions and experiences, either as managers as well as employees who were formally in a similar position of exiting an organisation.

## **CHAPTER 4**

### **Data Analysis and interpretation of findings**

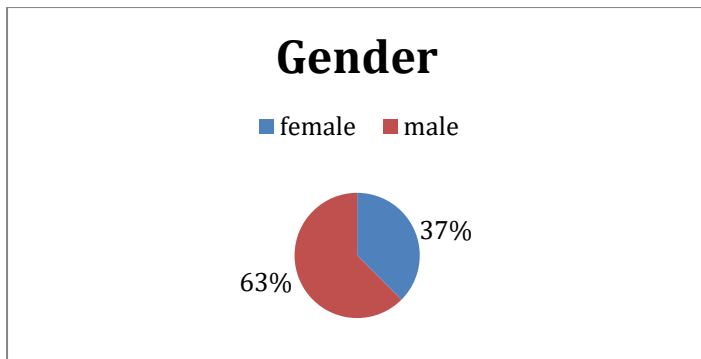
#### **4.1. Introduction**

This chapter provides an analysis and interpretation of the research data through the deduction of research findings from the eight (8) interviews conducted with the participants from two State Owned Companies (SOC) hereinafter referred to as company one and company two respectively. The interview participants include Managers, in various divisions of both companies. These are HR manager, Project Manager, and executives.

The interview questions have 6 sections comprised of various sub topics derived from the purpose and objective of the study. This will allow for the interpretation of the participants or respondents opinions and experiences. Research findings can be easily obtained in this manner, Furthermore, the researcher summarizes the respondent's comprehensive views to deduce an answer to the main research question as stated in Chapter One. This is segmented into various codes or topics as deduced from the responses received.

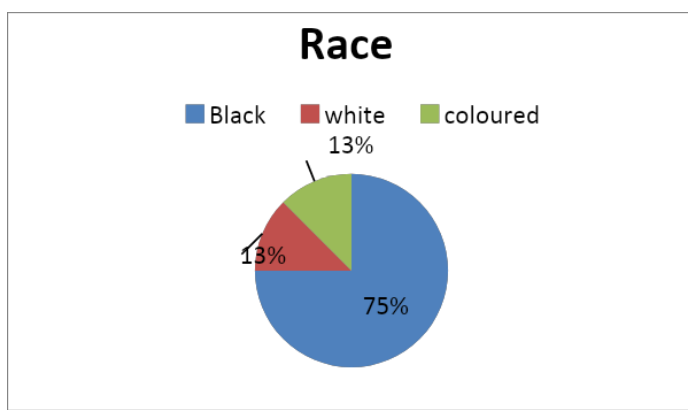
#### **4.2. Sample Description**

The eight (8) participants who participated in the research are divided into two groups, four work at the one entity and the other four work at the other entity. Both these enterprises are state owned companies, servicing the Department of Defense. Of the eight (8), three are females which make a total percentage of 37% and the rest of the participants are male, making up 63% of the sample. The sample distribution is summarized in the figures below:



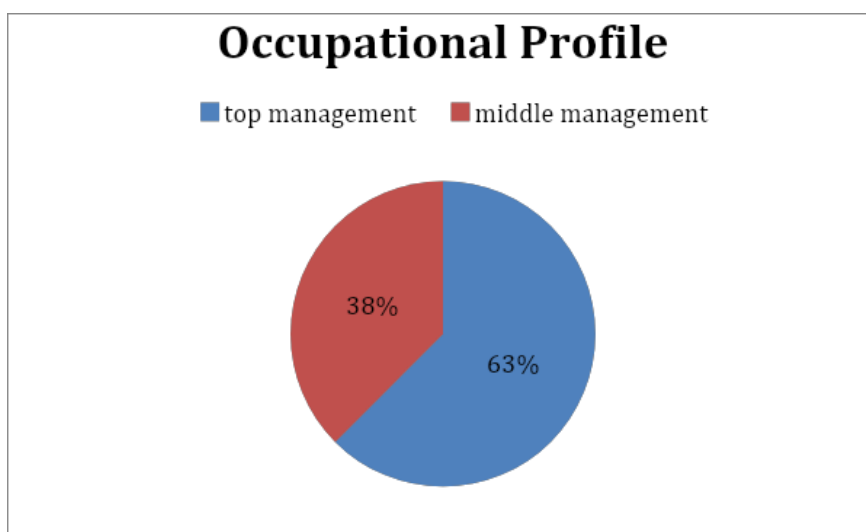
**Figure 1. Gender**

The gender distribution of the respondents was 37% male and 63% female.



**Figure 2. Race**

Pertaining to racial demographics, the majority of the participants were black (75%), while only 12% of respondents participated in the study were white and 13% were colored. These racial groups are representative of both the organisations combined.



### **Figure 3. Occupational Profiles**

The occupational profiles (management level) of the participants in the research showed that 38% of the respondents hold middle management roles in the organisations, 62% are top management, which includes senior management executive management, and these people are often referred to as decision makers.

### **4.3. Themes and sub-themes**

In this sub-section, the themes and sub-themes will be reported on. Sample responses will also be included in some instances in all of the sub-sections. Five overall themes were extracted from the data.

#### **4.3.1. Relevance of Notice Periods**

This theme included three sub-themes, and under one of the sub-themes (Risk) a further two features were retracted.

##### **4.3.1.1. Business Continuity**

In terms of relevance of notice periods in company one and company two, the majority of the respondents deemed it necessary for employees to serve notice period. There are various constructs which were deduced from their response. From the respondents, 75% said notice periods are necessary for business continuity and for proper handover of work purposes. However, 25% of the respondents stated that even though notice periods can serve a purpose for handover of work, the business can still continue irrespective of a notice period. . They believe that if work is done systematically in an orderly manner when an employee exits, business will either way continue. One of the respondents said: *“It should happen in a controlled manner that allows it to mutually benefit from the separation”*.

#### **4.3.1.2. Knowledge Transfer**

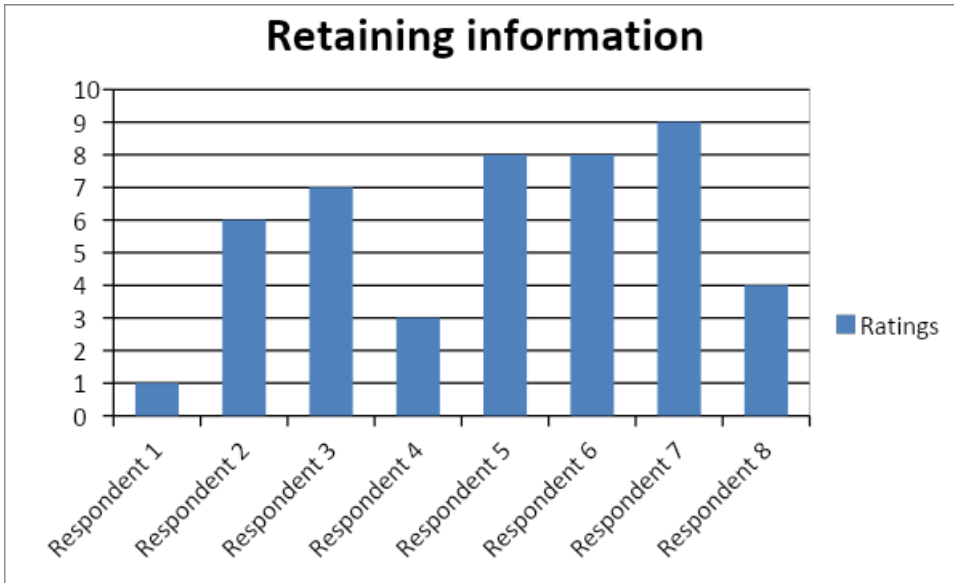
Another common reason raised for the relevance and importance of notice periods was the transferring of skills and knowledge. 100 % (8) respondents highlighted the importance of transferring knowledge and skills. From the total respondents, 62.5% (6 respondents) made reference to transferring of specialized skills and knowledge within the industry and considering the type of specialized technological environment the two companies are operating in. Three from the eight respondents (37.5%) mentioned and highlighted the importance of incorporating knowledge and skills transfer into performance contracts to enable for proper transfer and measuring of the effectiveness during the notice period. One of the respondents' comments was: *"You maximize on extraction of information from him and create a good relationship, where even if he is not here, the employer would still be able to ask the employee after they have left organisation"*. Another 37.5% of the respondents believed that knowledge transfer should not be a last-minute exercise. They mentioned that proper planning and monitoring of skills and knowledge transfer should be in place and not only be a key function of the notice serving term. One respondent highlighted the lack of knowledge and skills transfer during employment as a risk by saying: *"If we are gonna wait until a person serves their notice period to hand-over, then really the organisation is at risk. Skills transfer should be done continuously while the person is on the job"*.

#### **4.3.1.3. Risk**

This element looked at identifying the risks involved with serving notice periods. The aim was to determine whether employees serving notice periods pose a risk to the employer. This is in terms of risk of losing or leaking of important information as well as the risk of loss or wastage of resources. To determine this, respondents were asked to highlight the risks involved in allowing or expecting employees to serve notice. The following was deduced:

#### 4.3.1.3.1. Loss of Information

Loss of information is a critical factor for any organisation since the loss of intellectual property and other important information can negatively affect the organisation on the long run (Martins & Martins 2011:51). The respondents believed that loss of important information was a major risk for the organisation. The majority of the respondents (75%) said that loss of information does not happen only during notice period. They believe that employees take information throughout their tenure at work. Three of the respondents (37.5%) stated that usually when employees plan to leave, the information they regard as relevant or beneficial is taken even before the notice period. This usually happens before they start engaging with a potential new employer. According to 25% of the respondents, it seems the majority of employers lose the most crucial information in the last month of a notice period. . They believe that this is when the employee feels that they need to extract as much as they can for future use because they may not get the chance to do so. One respondent said: *“More often than not, people who are serving notice do steal from organisations, at that time you take templates and the likes “*. They are also likely not to share this information with their current employer. According to 75% of the respondents this information can be policies templates, procedures and reports which may be useful to the employees’ future roles. The remaining 25% of the respondents referred to this information as Intellectual Property (IP) of the organisation and of the current employer. One respondent stating: *“Risk is minimal in resources but definitely risk in IP, they can join a competitor and completely reduce your market share”*. This is crucial information that may affect the business in terms of its competitive advantage and is described as a major risk.



**Figure 4. Retaining information**

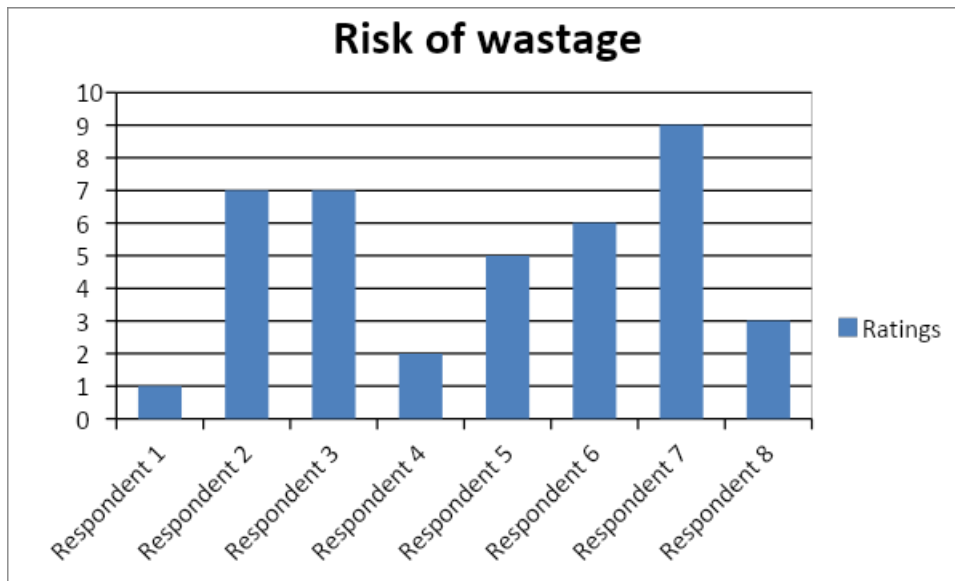
#### 4.3.1.3.2. Wastage of resources

The respondents were asked on wastage of resources during the notice period. The general perception was that employees serving notice are not actively participating in their jobs, but rather are present just to pass time. According to 62.5% of the respondents the waste of resources such as the use of telephones, the internet, and making photocopies are not a major risk for the organisation since there are restrictions on how it can be exploited. One respondent substantiated this by saying: *“We have measures in place and often these things are budgeted for anyways”*. . Only 25% of the respondents from both entities made reference to control measures such as the liability forms, if an employee owes anything that will be deducted from the last months’ salary. Therefore if the telephone bill is at an extreme high in the last month, the company would then be able to recover costs. Another respondent said: *“When you resign for example, there is some money that is due to be paid to you. So if one abuses or wastes company resources it can be recovered from those monies. The company has put measures to minimize the risk”*.

Though it seems the majority of respondents did not see the wastage of resources as a major risk, 37.5% of the respondents felt that it is a risk and happens at the highest level during the last month. They mentioned that the sentiments of resigned employees is that they are leaving anyways and have an attitude of not caring and



lack of accountability. Wastage was not seen as a major risk factor for organisations as big as these entities with numerous resources.



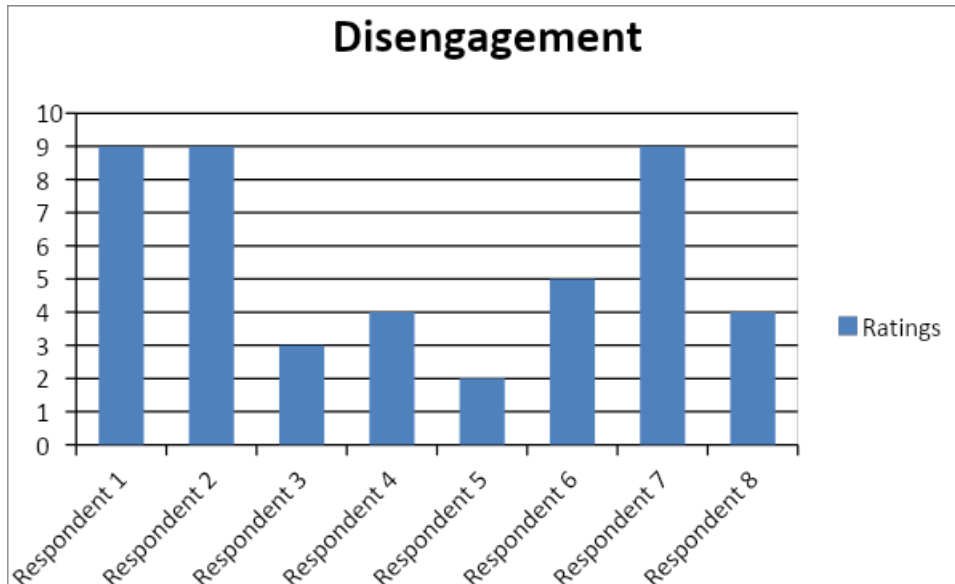
**Figure 5: Risk of wastage**

#### 4.3.2. Disengagement

Disengagement refers to the level of interest or lack of interest that an employee would have at the point of exit. There are a perception and an assumption that employees are disengaged in their last month of service (Pech & Slade, 2006). According to 37.5% of the respondents, the rate of disengagement in the last month is high. Meaning that employees serving notice periods have, in their view, no interest in the business, the job and their responsibilities. One of the respondents citing that *“I guess the disengagement happens naturally, it is the company that needs to have policies in place which will allow for control of the procedure of the person exiting”*. The majority of respondents (62.5%) mentioned that disengagement is not as bad. They stated that the organisation’s focus should not be on the disengaged employees during their notice period, but rather on the work they need to finalize before the notice period employee leave. The organisation does not necessary lose since both parties benefit from the handover period.

The respondents’ further unpacked disengagement as a lack of interest in the organisation itself but also highlighted that people who are disengaged would naturally

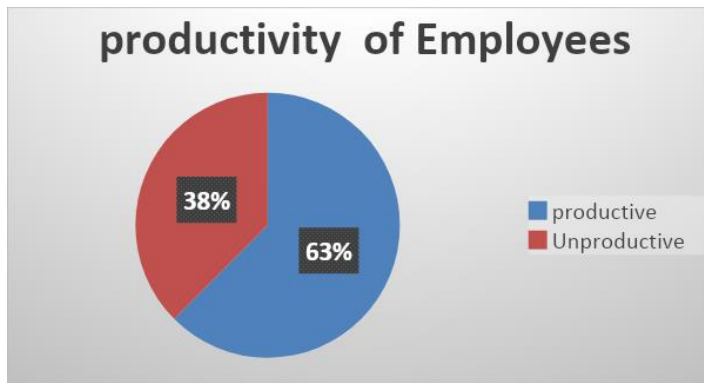
remove themselves psychologically from the organisation. *“Things that bother them does not bother them anymore”*. They referred to workplace conflict and tensions that are no longer important to those employees. One of the respondents said *“some employees even forget about their grievances because in their minds, they have already resolved them by resigning”*.



**Figure 6. Disengagement**

### 4.3.3. Productivity

This chart gives an overview on the findings pertaining to the views the respondents have regarding the productivity levels in both organisations. The aim was to gain information on the respondents' perception on how productive resigned employees are during their notice period.

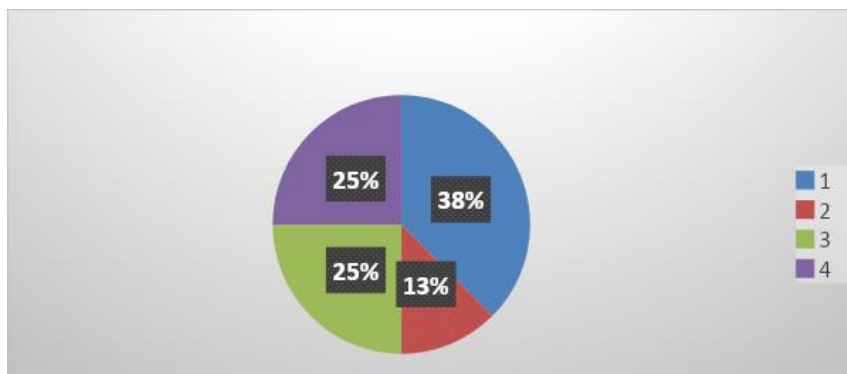


**Figure 7. Productivity of employees**

In terms of productivity the respondents gave their views on the levels of productivity of employees serving notice periods. According to 62% of the respondents, employees are productive during their last month, citing that some employees may have the idea of possibly going back to the employer in the future, the respondent said: *"It also depends on the type of job the person actually does, especially if you have intentions of going back to that organisation one day, you will definitely be productive and another thing, it depends on the person's commitment as well."* However, the main important element is self-discipline. It seems that the productivity of the employees serving notice is rather dependent on the management level of employees. One respondent highlighted that there is a need to maintain good relationships with the parting organisation, especially for reference purposes. Other companies may want to headhunt and receive references from your current organisation, and it will greatly impact one's future career aspirations. The other 38% of the respondents believed that employees are not productive in their last month. Mentioning that they may be productive perhaps in the first week of the notice period but not the rest of the month. A direct quote from a respondent who stated that *"employees have the perception that they are on their way out and therefore do not need to be productive anyways"*. One of the respondents also mentioned that employees who are serving notice, should not be given any new tasks, but should rather be given the time to finalize any existing projects they may have been busy with for the purposes of closing off their work at the company. Another respondent said: *"I think the notice period are not the most productive because employees start to plan ahead"*.

The chart below depicts the respondents' response for both organisations which shows a clear picture on the perception on productivity. From company one, 38% of the sample believe that employees are productive during their notice period, citing that some would want to prove a point and leave a mark. Only 13% of the respondents from company one think that employees serving notice are not productive, one stating: *“There are no measures of holding a person to do something from the employer’s side, well at company one there isn’t”*.

Company two respondents on the other hand had a more balanced response, whereby 25% stated that there is productivity with employees who are serving notice, whilst the other 25 % stated the opposite. They also mentioned that this poses a great risk due to the fact that employees are no longer interested, this can therefore jeopardize or compromise certain projects which these employees may have been busy with.



**Figure 8. Productivity**

#### **4.3.4. Exit Practice and Policies**

The effectiveness of exit practices for company one and two were investigated. Firstly knowledge of the existence of exist practice was established, all respondents confirmed that both organisations have an existing exit practice, which guides the processes of clearing out employees when they leave the organisation. Further to this, respondents highlighted the existence of the basic conditions of employment practice which states the requirements for termination and serving notice. One of the respondents made reference to the BCEA which is what guides employer to their

service conditions and practices. According to 75% of the participants the exit practices in the organisations are effective. However, even though they are there on paper, the terms of exit such as notice period should be at the discretion of the manager. One respondent suggesting that this was usually dealt with on a case by case basis, depending on the role. One other respondents also highlighted that *“it is not only the exit practice that guides us at Company one, we are also guided by the code of ethics as well as the Defense Act.”* The respondent mentioned that the different occupations may guide the notice period, making reference to an IT and security profession, these two cannot be put under the same umbrella conditions in terms of their profession to mitigate the risks.

The exit interviews were seeing as just a practice that the employers do for the sake of doing. According to 87.5% of the respondents, they have never seen the exit interviews, some citing that it is just an HR exercise that has no value to the organisation. One responded said that the exit practice is there, interviews are done, but it is guided and done by people who do not know what they are doing. A respondent quoted: *“yes we have an exit practice, which I think is completely flawed”*. One respondent (12.5%) mentioned that in his position and capacity within the organisation he has had access to the information for the purposes of mitigating risks of further resignation in his operating division. Another respondent even highlighted the confidentiality of the exit interviews, stating that at company two, by the time one leaves the HR office and gets to their office, people already know the discussion that took place with the exit interviews.

#### **4.3.5. Effectiveness of the application of the practice**

##### **4.3.5.1. Severance Pay**

Severance pay was one of the key principles that was investigated. The Basic Conditions of Employment Act 55 (1998) s 37, demands that an employer must pay an employee for his / her notice period if the employer does not want the employee to serve / work his or her notice period. Assuming that an employee works with confidential information and as such poses a potential risk for the company during the notice period, the company may require that the employee leave prior to the completion of the notice period; provided that the employee is remunerated for the

remainder of the notice period. Such a request from the employer will not be seen as a dismissal because section 38 (2) of the Act makes provision for such an arrangement. Should the employee on the other hand indicate that he or she is not willing to serve the full notice period then the employer does not have to remunerate the employee for the remainder of the notice period. The respondents were then asked whether severance pay or actual notice period is preferred, with reference to the effect this would have on the Organisation. Respondents felt that severance pay is a privileged benefit that may be considered but dependent on the circumstances around the exit reasons for the employees. *Another respondent said: "The conditions need to be clear, there has to be clear guidelines in terms of whether or not it should be done. If the company will lose more by having the employee serve notice, I think it would be better to pay severance pay"*. While another respondent highlighted that severance pay becomes an obligation only when you terminate relationships based on operational requirements when you retrench. He further cited that in some instances the employers tend to prefer to pay severance pay if a person has been dismissed for poor performance. This is for the purposes of minimizing unfairness and the risk of being taken to the Commission for Conciliation, Mediation and Arbitration (CCMA). All respondents believe that notice period are more important than severance pay, however some citing that unless the manager and employee agree on the matter.

The option of severance pay or to serve notice was not supported, one of the respondents substantiated this by saying that he does not think that employers should draft contracts that give options between severance pay and serving notice because it might actually disrupt the environment.

The respondents' response to the option of severance pay as opposed to serving notice was that notice periods are important for the handover and continuation of the business. The conclusion therefore is that 100% of the respondents believe that serving notice period is more beneficial and is the better option than paying severance pay.

## **CHAPTER 5**

### **Summary, conclusion and recommendations**

#### **5.1. Introduction**

In Chapter four, the empirical results were summarized and concluded on. This is to provide an overview of the study and discuss the most important findings. These findings will propose a pragmatic and more realistic recommendation to employers, specifically Company one and Company two in relation to notice periods. The contributions of this study will be highlighted, and the limitations of the study will be addressed and recommendations for future research will also be provided.

#### **5.2. Overview of the study**

In chapter one, the study was introduced by providing an introduction and background on the topic of the research, which is the effectiveness and impact on organisations in requiring employees to work during their notice periods". In addition the problem statement, the purpose and objectives of the study were presented. The main purpose of the study was is to determine whether employees can positively contribute to an organisation during notice period and to discover whether it is best to pay them off and let them go without serving notice. The study was also aimed at investigating the effectiveness of notice period policies, processes or procedures as part of exit practice for two State Owned Companies (SOC's) within the defence industry. The aim of this research was to understand the psychological presence of employees once they have resigned and to understand whether or not they can still positively contribute to the mandate of the organisation by following through on their performance objectives. . The aim was to gain insights on the opinions of the managers and how they perceive the notice periods to be useful, beneficial or disadvantageous to organisations and how they perceive employees to be in their final month of work with the employer.

In order to address this primary objective a number of secondary objectives had to be addressed, these include:

- Conducting a comprehensive literature review on notice period, focusing on the Exit, Voice, Loyalty and Neglect model. In addition was to look at how notice period has impacted on other organisations and the application of labour legislation in relation to certain disputes, relating to notice periods.
- Selecting an appropriate research method to give effect to the purpose of the study.
- Developing an appropriate measuring tool that will be used to empirically determine the relationships identified in the theoretical model.
- Providing relevant conclusions and recommendations based on the results and findings of data analysis.

In the second chapter an in-depth literature review was presented. This chapter provided an overview of notice periods, the duration as regulated by the BCEA and provided some insight on how other organisations were guided by South African labour legislation. Various case laws were discussed as well as the concepts of presenteeism and EVLN, which outline the perception of mind-set of employees at their exit point in organisation.

The third chapter outlined the research methodology which was applied in order to gain insight on the topic. Various methods, quantitative, qualitative research methods were compared and the most suitable for this study was applied. The qualitative research method was most suited for this study and was applied by use of conducting interviews for a sample of eight, using the purposive sampling method. The qualitative research aimed at obtaining primary data from the interview participants, using semi-structured interviews as the method of collecting data. This enabled for follow-up questions to gain clarity on information and answers provided by the participants. The methods of primary data collection were discussed, with specific reference to the population, sample, the sample size, sampling techniques and data gathering. Purposive sampling with an element of convenience sampling was employed to determine the sample. A total of eight interviews were completed, thus the study is based on the insights of these participants from both organisations. The chapter concluded by presenting the steps to ensure reliability and validity of the research. The data analysis methods used to determine the results of the study were discussed.



Chapter four presented the findings of the research, by providing a summary of the information of the participants, their biographical information and work profiles or positions within the two organisations. The findings and discussions of the findings were highlighted in this chapter.

### **5.3. Interpretation of the empirical results and recommendations**

#### **5.3.1. Summary**

Chapter four covered the findings and results of the study. In this chapter, five overall themes were identified and discussed. These themes were further broken down into sub-themes.

Overall themes included Relevance of notice period, where two sub-themes were identified, these include Business continuity, 75 % of the respondents believed that notice periods are important for the purposes of continuation of the business whereas 25% believed that whether or not notice is served and handover takes place, the business will still continue. Rajiv (2008) highlights business continuity as a key aspect to prioritize in order to develop a framework that manages the risk in organisations. The second sub-theme identified and discussed was knowledge transfer, here the respondents believed that this is an important exercise and reason for serving notice. All eight (100%) of the respondents believed that this is important. 62.5% of the respondents believed that it is most important for those who have specialized skills and work in specialized technological environments. In recent studies it was found that the most expensive price tag for organisation is loss of knowledge, hence it is importance that organisations ensure that knowledge is retained (Bender & Fish, 2000). Further, Martins and Martins (2011) reported on a study conducted in the United States by Talent Keepers at 240 organisations, it was found that the greatest impact of employee turnover on organisations was lost knowledge at 78% as opposed to profitability which measured at 54%. According to Bender and Fish (2000) the knowledge and expertise of employees should be regarded a strategic and valuable resource in maintaining competitive advantage for an organisation. The studies therefore correlate with regards to skills and knowledge transfer in the aim of retaining the most critical skills for the business to continue running smoothly by allowing

employees to serve notice, this can be done in a controlled and structured manner. However the studies were not in relation to serving notice- however substantiate the notion and importance of knowledge and skills transfer to business success.

Risk related to loss of information as well as wastage of resources was established as the sub themes in this study. 75% of the respondents believed that loss of information is a risk to the organisation, 50% of the 75% (37.5%) said that this loss usually takes place in the last month of the employees' tenure. The BCEA (1997) s 38 (2) states that an employee who works with confidential information and as such pose a potential risk for the company during the notice period, the company may require that the employee leave prior to the completion of the notice period; provided that the employee is remunerated for the remainder of the notice period ([www.labourguide.co.za](http://www.labourguide.co.za)) this is to minimize the risk of losing important information, therefore the provision made in the Act substantiates the possibility of the risk as evident.

What you need to know about notice periods, termination pay and the BCEA (Webb, 2018) highlights how companies can reduce the risk of wastage during the last month of serving notice by paying employees on the last day of the month if they ordinarily got paid on the 25<sup>th</sup> of every month, that way that will reduce the risk of losing money in the last five days. Employees serving notice have reportedly been reported to leave as soon as they receive their salary on the 25<sup>th</sup> leaving the company with a loss. Although not recorded the same, the study shows that wastage of resources is prevalent when employees serve notice. The study showed that 62.5% of the respondents believed that resources are wasted. And that this happens in the last month. In support of the 25% that believed that the companies can put control measures in place to reduce waste during the notice period, this corroborates with (Webb, 2018) regarding the introduction of payment on the last day of the month instead of the 25<sup>th</sup> to save the company from losing time and money, should the employee decide not to work the final last days.

Productivity was seeing to be at a fairly good rate during the last month of work, with respondents rating at 62%. 38% believed that employees who are serving notice are not productive. Heibutzki (2019) study on the effects of employee resignation on productivity states that productivity suffers when employees responsible for key

customer service functions leave the company. The study further states that employee resignations can lead to a downturn in productivity if the situation is not handled correctly, this clearly coincides with what the respondents had said regarding the management of productivity. It is clear that productivity should and can still be managed during the last month of work; however certain measures would still need to be put in place for this to be effective.

The effectiveness of the application of exit practice makes reference to payment of severance pay. Though the respondents believed agreed that the exit practices were in place in both organisation they also cited that that these were governed by the BCEA (1997) which guides the company on how to execute practices in relation to exits. These include severance pay, there is not much that studies tell on severance pay, however the Act gives guidance as to how this can be implemented to ensure fair and sound employment practice even at the point of exit. The law in this case guides how severance pay may be applied and therefore the opinions of the respondents of the study basically cannot supersede with what the law stipulates. The fact that some of the respondents believed that severance pay could be an option instead of serving notice is dependent on the prescriptions of the Act itself, so as to avoid lawsuits and cases being referred to the CCMA.

### **5.3.2. Contributions of the study**

This study has attempted to expand the empirical body of knowledge relating to the effectiveness of notice periods for the State Owned Companies (SOC's) servicing the defence Industry. The researcher of this study is convinced that this study will add value to organisations regarding the decision to either allow employees to serve notice or release them in order to save on company assets and resources. It will add value in policy and practice formulation in relation to resignations, dismissals and notice periods. Great insight was gained in assessing the attitudes of people exiting organisations, as to whether or not they still feel that they can contribute value to the organisation in their last month of work. Secondly, the impact of negative attitudes of exiting employees towards the organisation and other employees within the organisation were identified and ways to ensure that attitudes remain positive and that

any negativity does not affect the attitudes of those remaining in the organisation. Thirdly, the study can assist in putting measures in place to ensure productivity of employees serving notice. Lastly, the study may assist in developing effective strategies to maximize performance of individuals during notice periods or exit strategies to pay employees, but not in conflict with the Labour Relations Act 66 of 1995 (hereinafter “the LRA”) and the BCEA.

### **5.3.3. Recommendations for practice**

The results drawn from the research has illustrated that notice periods are highly effective in organisations and the risk of not requiring employees to serve notice, may result in a compromise for the business. The study also shows that for company one and company two there is a loophole in the actual exit practice and policy and the implementation thereof. The following should be done to ensure that organisations get maximum output from employees serving notice and to efficiently and effectively apply the practices to meet the organisation's objectives:

- The practices and policies need to be clearly defined to the process owners (Human resource personnel and the end user (employee)). This is to ensure that the practice and policy are effectively implemented.
- Management should be informed of the outcome of the exit interviews. This is to ensure that respective managers understand the reasons for resignations within their departments or divisions to mitigate the risk of turnover, should the reasons indicated be business related challenges.
- Notice periods should purely be for handovers and finalization of projects. These need to be measured by using a performance management system to ensure that skills and knowledge is transferred in a controlled and outcome-based manner. This will ensure that there is accountability from the employee serving notice.
- Development of clearly defined outcomes and performance objectives for the employee in their final month. This way employees who have resigned will remain engaged due to the responsibility they have been assigned with.

- Critical positions need to be defined in order to identify those positions or roles that may pose a risk to the organisation, should the employees resign. These positions can then be identified as “Risk Position” which would not require notice, but rather termination of contract of employment be with immediate effect.
- To mitigate the risk of loss of information, an IT server system that monitors ones movements of documents and information should be put in place for all employees to ensure that critical information remains safe.
- An audit system to supplement the IT tracking system can be developed and utilized when an employee resigns, before final clearance.

#### **5.3.4. Limitations and recommendations for future research**

This study is not without limitations and further research across other sectors and industries is recommended. The two organisations cover a large number of employees in different roles and skill levels, thus convenience sampling was drawn from the target group of employees as a result of time resource limitation for the study. Another limitation to the study was the fact that some of the respondents were in Pretoria which is outside the researchers’ city of residents (Cape Town). The appointments with the participants were difficult to schedule.

Convenience or purposive sampling was used for the purpose of the study. Struwig & Stead (2013) asserts that convenience sampling is a non-probability sampling that dictates the researcher to select the sample. Following non-probability sampling, the sample may not necessarily represent the population at large, thus misrepresentation of findings is great (Blumberg et al., 2008). The results of the study cannot be considered representative of the total perceptions of company one and company two employees. Future research could attempt to create database of employees from which samples can be drawn.

The study only focused on two state owned companies offering services to the Department of Defense with a staff compliment of over one thousand (1000) employees. A future study could be explored using similar methodologies among other State owned Companies and even across any sector and organisation as they

are all guided by South African Legislation; the BCEA as well as the LRA to determine whether notice periods have proven to be valuable and whether organisations benefit from employees when they serve their notice periods.

In terms of investigating the effectiveness of organisation requiring employees to serve notice period, the researcher could consider expanding the sample of participants as well as Industries to get a broader understanding on the impact it actually has on organisations and Industry as a whole. Although labour legislation guides the development of policies and procedures for companies, it would be imperative to determine the effects or impact of its application. The researcher should be given a platform to conduct the study in a manner that best suits their study or topic.

#### **5.4. Self-reflection**

I gained skills on data capturing and analyzing to be able to interpret the findings from the participants. I benefitted in gaining experience on document editing and making sure that I produced work of great quality and no plagiarism. I gained a great deal of insight and knowledge on company policies as well as South African Labour legislation. Being an HR professional, this study opened my mind in the application of legislation in the workplace.

Interviewing skills were improved, and the analysis and coding of the information retrieved from the participants was tough, however a great experience for me going forward.

#### **5.5. Conclusion**

This research investigated the effectiveness of organisations requiring employees to serve notice period after they have resigned. The study shows that the respondents from the two organisations; namely company one and company two, have an in-depth knowledge of the exit practices of the organisation's as well as understand the main requirements of employees to serve notice periods. The study also highlights or exposes their opinions in the value of employees serving notice periods as well as the

general attitudes of employees during their last tenure in the organisations. The main reason organisations value notice period is the transfer of skills as well as job continuation. All organisations have objectives and key critical goals in line with the business needs and each and every employee has a role to play in contributing and fulfilling those objectives. When jobs are dissected into smaller components each employee forms a critical part of the puzzle in firstly upholding the values of the organisation, but most importantly meeting the business requirements and performance objectives. It is important for employees and employers to therefore understand the important aspects of the business, that way organisations will have clear goals and expectations and employees will have clear roles and deliverables during their service and even at their exit point.

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