

**Exploring skills migration in the South African oil industry: a case study of  
Engen Petroleum**

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## **ABSTRACT**

**Orientation:** The shortage of technical skills in South Africa is causing grave concern for the country and businesses alike, impeding economic growth and competition. In particular, South Africa is experiencing an increasing number of technical professionals in the oil industry who emigrate. Compounding this situation, South African universities are not producing enough technical graduates to effectively counter the impact of skilled emigration.

**Research purpose:** Accordingly, the researcher sought to explore country and organisational factors that influence emigration of technical professionals in the oil industry. Furthermore, the research intended to identify and appraise reward elements that are being expended to curb emigration of technical professionals in this industry.

**Motivation for the study:** There is a need to understand the contributing factors to technical professionals' emigration decisions in the oil industry.

**Research design, approach and method:** The researcher conducted a case based qualitative study which was exploratory in approach. The sample included technical professionals drawn from different engineering disciplines at Engen refinery. The researcher initially used purposive sampling, followed by snowball sampling. Accordingly, 12 in-depth semi-structured interviews were held. AtlasTi and excel were used to analyse the results obtained from this research.

**Main findings:** The main findings of the research revealed that the most important country factors influencing technical professionals' decisions to emigrate were remuneration, crime and security. While at an organisational level, leadership and remuneration were the most important drivers. Technical professionals consider Engen's reward model stale and in need of innovation. The reward elements are not aligned with the drivers of skilled emigration and therefore will not limit the rate at which technical professionals emigrate.

**Value add and managerial implications:** The value and implication of this research is that it gives insight into the drivers of emigration decisions of technical professionals in the oil industry, and provides information to managers of oil companies that can help in designing attractive employee value propositions, taking into account external factors.

## **KEY WORDS**

Brain Drain

Brain Gain

Brain Return

Brain Waste

Emigration and Immigration

## **DECLARATION**

I declare that this project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Name of Author

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Signature of Author

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Date of Signature

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## CHAPTER 1

### 1. INTRODUCTION TO RESEARCH PROBLEM

#### 1.1 INTRODUCTION

“Many industrialised countries and a few less industrialised ones face a shortage of skilled workers from within their own domestic labour market because of slowing population growth, population ageing, technological change and/or failure to invest adequately in education and training of their own population. Consequently, these countries are increasingly looking to overseas markets and indeed the global labour market for their skilled labour requirements”, (Khoo, 2014; p. 20).

Skills shortage in South Africa has been highlighted by private sector companies as an impediment to economic growth, with grave repercussions for a number of government’s social and economic imperatives (Tshilongamulenzhe, 2012). The shortage of skills in South Africa is material and the government is paying serious attention to this issue (Rasool, Botha, & Bisschoff, 2012).

A consequence of skills shortage is a high demand for desired skills leading to premium remuneration packages. Competition for scarce skills is affecting not only South Africa but also the fast growing markets in Asia, like China, India and the Middle Eastern countries (Horwitz, 2013). Horwitz (2013) further noted that while these countries have grown their talent pool, South Africa has not been as successful leading to increased turnover of skilled workers. This creates a high demand for skilled resources in the labour market which might be alleviated by effective retention and motivation strategies. The demand for skilled resources continues to exceed supply in a number of developing economies (Horwitz, 2013). The department of higher education and training in South Africa issued a list of scarce skills in professional fields like engineering, medicine, accounting, which are required for economic growth (Department of Higher Education and Training, 2014).

In macroeconomic terms, a highly skilled workforce improves its country’s competitiveness, contributes to economic growth and general elevation of social standards. Skills, to a large extent, inform policy and development of institutions required to sustain country stability. A country may invest in homegrown skills, import skills from other countries or use a combination of the two approaches. Legislation may be enacted to promote skills development, create conditions that makes it difficult for

citizens to leave a country through incentives or sanctions, and facilitate the importing of foreign skills in response to exodus of local skills, thus creating some level of balance. Each of these government responses has advantages and disadvantages that have to be managed.

Organisations also have a role to play in reducing the rate of skills flight. Through their own recruitment, retention and motivation strategies, organisations contribute to creating an environment conducive for skilled workers to elect to stay. The fundamental question for business is how the elements of the reward model are configured to respond to issues of skilled migration. The area of interest for this research is the loss of skills from companies in one country to companies in another country, a phenomenon referred to as out-of-country skilled migration.

## **1.2 PURPOSE OF THE STUDY**

In recent years, human resources managers in the oil industry have reported an increase in the number of technical professionals leaving South Africa for greener pastures in other oil producing countries. Though the number of those who left has not been quantified, this remains a source of grave concern for the local oil industry.

The aim of the study is to explore the reasons compelling technical professionals in the oil industry to leave South Africa in search of better opportunities in other countries. A number of research articles have been published on migration of skilled professionals. Equally so, extensive literature on recruitment, retention and development of employees exist.

The study will focus on gaining deeper insights into technical professionals' emigration intentions in the local oil industry, and the extent of alignment of the reward model elements with drivers of skilled migration. Furthermore, it is intended to establish key reward model elements organisations use in response to skilled emigration and the extent to which this has been successful. The researcher intended to ascertain and compare the extent to which factors within an organisation and the country influenced skilled emigration. In other words, are the factors driving skilled emigration influenced by conditions within an organisation or by those which are beyond the organisation's control or both, and whether the reward model elements are effective in slowing down skilled migration?

### **1.3 MOTIVATION FOR THE STUDY**

Prior to 1994, South Africa experienced an inflow of white skilled workers (Rasool et al., 2012). Rasool et al. (2012) continued that post 1994 there has been a reversal of skills inflow largely involving skilled white workers who possess a majority of the skills, and in the process aggravating the shortage of skills that the country is experiencing. Today, the demographics of skilled professionals leaving the country encompass all racial and gender groups in South Africa.

Suggestions that government is battling with running and maintaining state owned enterprises, like South African Airways and Eskom, have been heralded in the media (Ensor, 2014). The fundamental reason for this state of affairs was partly attributed to lack of skilled resources. Since the dawn of democracy, the number of skilled South Africans leaving the country continues to increase in search of better opportunities, though the exact statistics is unknown (Rasool & Botha, 2011). As an example, South Africa has been incapacitated by medical brain drain (Agbiboa, 2012). Oil companies in South Africa have also experienced an increase in the number of technical professionals who leave the country for opportunities in other oil producing countries. Thus, there is a need to understand what drives technical professionals to leave South Africa.

### **1.4 EVIDENCE OF THE PROBLEM**

While the subject of skilled migration has been researched in a number of professional fields like doctors, nurses and so on, the main focus of this research is professionals in the oil industry covering technical professionals. According to Lyndy van den Barselaar, managing director of Manpower South Africa, the lack of technical skills in South Africa continues to impact negatively on employment in many industries in the South African economy (Steyn, 2015).

South African tertiary institutions are not producing enough people with the required qualifications in response to the demand for skills (Bhorat, Meyer, & Mlatsheni, 2002). In a 2008 Harvard Group study commissioned by the National Treasury, it was found that skills shortage was material and that the shortage of human resources stifled economic growth in South Africa (Rasool & Botha, 2011).

During the second annual workshop of the education policy consortium, the minister of higher education and training, Dr Blade Nzimande, expressed deep concern about the

level of unemployment among South African youth. He lamented that the youth unemployment crisis occurs at a time when South Africa is facing a challenge of skills shortage (Nzimande, 2014). The minister further expressed that without the necessary skills, the South African economy will be unable to realise the full potential of its citizens and provide a better life for all. The problem of skills shortage is getting worse in South Africa, as skilled candidates move overseas for better career prospects (van Aswegen, 2008). Van Aswegen (2008) said that from a survey performed by FutureFact, 40% of skilled professionals covering all races are considering emigrating.

## **1.5 PROBLEM STATEMENT**

South African businesses in the oil industry experienced increased out-migration of skilled technical professionals to oil rich countries in the last few years. Technical skill is key to safe operation and survival of oil refineries. It takes at least 7 years to produce a technically competent engineer or technician in the oil industry (Petronas, 2011). Consequently, loss of such skills is detrimental to business operations. Therefore, the research intention is to ascertain the drivers of out-of-country skilled migration with reference to technical professionals in the oil industry and further assess reward model elements available in source country organisations that are employed to decelerate out-of-country skilled migration.

### **Sub-problem 1**

Explore the factors leading to emigration and/or intention to emigrate decisions of technical professionals in the oil industry, with particular reference to out-of-country skilled migration.

### **Sub-problem 2**

Identify and assess the levers oil companies use to respond to out-of-country skills migration and also appraise the extent to which these levers - that is, the reward model elements - are aligned with the migration factors.

## **1.6 THEORETICAL NEED FOR THE STUDY**

For many years researchers have studied skilled migration in different industries and from several perspectives, such as brain drain, brain gain and brain circulation (Garcia-rodriguez, Mihi-ramirez, & Navarro-pabsdorf, 2015). Due to the fluidity of the business environment, the context in which skilled migration was studied years ago is different today, thus makes for interesting research. In the meantime, organisations continue to

use a number of elements within the reward model to recruit, retain and motivate employees making it difficult for other companies to poach them.

The theoretical basis for this research is to explore the applicability of extant skilled migration theory in the context of the oil industry and alignment of existing reward model elements in reducing the rate of out-of-country skilled migration. It will be theoretically beneficial to advance insights into how organisations employ reward model elements in response to skilled migration within the oil industry. Gaining insights into the relevance of skilled migration literature to the oil industry with a deeper understanding of variables at play and the interaction intensity between them contributes to the theoretical body of knowledge.

### **1.7 ORGANISATION OF THE DOCUMENT TO FOLLOW**

The sections that follow present a comprehensive literature review uncovering the underlying theoretical basis or debates on the subject under discussion. Research questions which provide a focus area for the researcher are then formulated from the literature review. This is followed by a research methodology and design, outlining how the research process will unfold. The results of the research are then presented, discussed and conclusions drawn.

### **1.8 SUMMARY**

This chapter has presented reasons the subject of skilled migration is an issue for South Africa and also provided undeniable justification for this research. With the world becoming one global economy and the rate at which scarce skills move from country to country, skilled migration makes for interesting research in this new global context. Not only are countries affected by this phenomenon but the organisations that operate in a country facing skills challenges are also affected. Organisations are confronted with difficult situations where they not only have to compete with local companies for scarce skills but also international companies. The type of competition that organisations experience is high paced competition demanding that organisations become innovative and flexible in designing reward models. The research will draw insight into what drives skilled migration of professionals in the oil industry and what organisations can or are doing about it. Chapter 2 lays the theoretical foundation of skilled migration and explores in detail the prevailing scholarly arguments on the subject.

## CHAPTER 2

### 2. THEORY AND LITERATURE REVIEW

#### 2.1 INTRODUCTION

This chapter introduces the reader to the patterns of skilled migration in South Africa and then delves into the extant schools of thought that have informed theory around the subject of skilled migration. Skilled migration is viewed as having positive and negative impacts on both receiving and sending countries. While there is theory on how skilled migration affects receiving countries, this research focused in the main on the impact of skilled migration on sending countries based on theory that sending or developing countries were the most affected by skilled migration. The literature review then explores country and organisational factors that meaningfully influence skilled migration.

The purpose of reviewing literature was to provide a foundation and comprehension on which the research was built, as suggested by Saunders and Lewis (2012). Consequently, the focus of this section was on laying out what skilled migration is - how its impact is theoretically experienced by countries, what factors contribute to skilled migration, and how countries and organisations can or have responded to this issue formed the basis of this research. Thus, the literature review begins with a definition of skilled migration.

Workers with a university degree or vast work experience in a certain field are considered to be highly skilled (Iredale, 2001). People in these categories move from one country to another in an effort to maximise returns on their investment in education or skill, leading to a concept of skilled migration (Iredale, 2001). Simplistically, skilled migration is therefore a movement of skilled workers from their home country to a foreign country in order to reap the benefits of education and experience. Another definition of skilled migration is human capital flight which describes the “emigration of educated and highly skilled workers” (Iravani, 2011).

##### 2.1.1 Emigration and immigration in South Africa

Emigration data, according to Statistics South Africa (2003), is collected at the three main South African international airports; Durban, Johannesburg and Capetown. South Africans are required to complete forms indicating their reasons for departure from

South Africa (Statistics South Africa, 2003). However, there is no formal mechanism that is used to verify the accuracy of the purported reasons. South Africans who elected not to fill in the forms or those who recorded a different reason other than emigration were not recorded in the official database (Crush & Williams, 2001).

As a result, not all intended emigration was recorded leading to speculation that emigration figures were actually higher than those officially recorded. This was deduced from a comparison of immigration data of South Africans obtained from the major receiving countries (Crush & Williams, 2001). Table 1, from Kaplan (2000), gives an example of the differences in recorded emigration numbers in South Africa and the most preferred destination countries between 1989 and 1997 (Crush & Williams, 2001).

**Table 1:** Comparison of emigration statistics from Statistics South Africa (SSA) and the top five receiving countries between 1987 and 1997 (Crush & Williams, 2001).

	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
<b>Aus (SSA)</b>	312	291	198	189	356	274	308	420	310	2658
<b>Aus</b>	558*	479	295	213	353	610	765	696	1122	4533
<b>NZ (SSA)</b>	25	24	12	49	93	349	209	297	286	1344
<b>NZ</b>	60	59	63	104	551	656	462	628	631	3214
<b>Can (SSA)</b>	94	85	63	69	136	224	173	170	118	1132
<b>Can</b>	327	227	213	243	407	677	421	315	421	3251
<b>USA (SSA)</b>	56	68	89	81	153	216	235	254	258	1410
<b>USA</b>	399	418	389	528	461	450	538	618	538	4339
<b>UK (SSA)</b>	275	331	296	349	661	450	368	422	444	3596
<b>UK</b>	2574	1408	1760	1518	2068	1782	924	2508	2417	16959

From the table above, it was evident that emigration figures officially reported by Statistics South Africa were much lower than those reported by the receiving countries, confirming the suggestion that the number of South African emigrants was under-recorded. This trend is believed to be relevant even in recent times as the method of recording emigration has not changed.

**Table 2:** Official net migration in South Africa (Statistics South Africa, 2003).

Year	Documented Immigrants			Sel-declared Emigrants			Net Gain/Loss		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1975	50464	26827	23637	10255	5227	5028	40209	21600	18609
1976	46239	23647	22592	15641	7951	7690	30598	15696	14902
1977	24822	12437	12385	26000	13459	12541	-1178	-1022	-156
1978	18669	9334	9335	20686	10680	10006	-2017	-1346	-671
1979	18680	9274	9406	15694	8010	7684	2986	1264	1722
1980	29365	14987	14378	11363	5594	5769	18002	9393	8609
1981	41542	21937	19605	8791	4462	4329	32751	17475	15276
1982	45784	23640	22144	6832	3369	3463	38952	20271	18681
1983	30483	15721	14762	8247	4108	4139	22236	11613	10623
1984	28793	14833	13960	8550	4238	4312	20243	10595	9648
1985	17284	8713	8571	11401	5766	5635	5883	2947	2936
1986	6994	3418	3576	13711	6796	6915	-6717	-3378	-3339
1987	7953	442	3911	11174	5443	5731	-3221	-1401	-1820
1988	10400	5287	5113	7767	3772	3995	2633	1515	1118
1989	11270	5928	5342	4911	2374	2537	6359	3554	2805
1990	14499	7806	6693	4722	2331	2391	9777	5475	4302
1991	12379	6607	5772	4256	2060	2196	8123	4547	3576
1992	8686	4544	4142	4289	2063	2226	4397	2481	1916
1993	9824	5126	4698	8078	..	..	1746	..	..
1994	6398	3175	3223	10235	4877	5358	-3837	-1702	-2135
1995	5064	2314	2750	8725	4194	4531	-3661	-1880	-1781
1996	5407	2606	2801	9708	4656	5052	-4301	-2050	-2251
1997	4103	2053	2050	8946	4340	4606	-4843	-2287	-2256
1998	4371	2157	2214	9031	4376	4655	-4660	-2219	-2441
1999	3669	2091	1578	8487	4143	4344	-4818	-252	-2766
2000	3053	1505	1548	10262	5126	5136	-7209	-3621	-3588
2001	4832	2575	2257	12260	5815	6445	-7428	-3240	-4188
2002	6545	3718	2818	10890	5224	5666	-4345	-1497	-2848
2003	10578	6549	4029	16165	8059	8106	-5587	-1510	-4077

Table 2 shows the official net migration of people in South Africa between 1975 and 2003. By definition net migration is the difference between skilled people entering and leaving a country, where entering is considered to be positive and leaving is negative. Though South Africa experienced an influx of immigrants, official data from Statistics South Africa ending in 2003 showed that the number of self-declared emigrants was greater, yielding a net loss of people from South Africa towards 2003 (Statistics South Africa, 2003).

Statistics South Africa profiled self-declared migrants according to their occupation between 2001 and 2003, given in table 3 below (Statistics South Africa, 2003). Of particular importance for this research was the migration of technical professionals. In the same period, the data demonstrated that South Africa experienced a net loss of technical professionals. This is shown in table 3. Even though there was no recent data available for comparison, indications from various sources are that the trend has not changed.

**Table 3:** Official net loss of technical professionals to South Africa (Statistics South Africa, 2003).

Occupation	2001			2002			2003		
	Immigrants	Emigrants	Net gain/loss	Immigrants	Emigrants	Net gain/loss	Immigrants	Emigrants	Net gain/loss
<b>Grand total</b>	4832	12 260	-7 428	6545	10 890	-4 345	10578	16165	-5 587
<b>Total - Economically active</b>	953	7591	-6638	1054	7334	-6280	1011	10540	-9529
<b>Professional, Semi-professional and Technical occupations</b>									
<b>Engineer, Engineering Technician, Architect and Related Occupations</b>	524	2929	-2405	576	2689	-2113	499	4316	-3817
<b>Engineer and Related Technologist/Technician</b>	62	474	-412	34	464	-430	61	700	-639
Industrial/Production	58	399	-341	27	390	-363	54	601	-547
Chemical	24	11	13	19	31	12	30	90	-60
Electrical and related	-	-	-	-	5	-5	1	7	-6
Agriculture	4	5	-1	2	7	-5	13	16	-3
Mechanical	-	-	-	-	-	-	1	-	+1
Metallurgical	-	8	-8	2	3	-1	4	7	-3
Mining	-	-	-	-	-	-	-	1	-1
Civil and related	-	-	-	1	-	1	-	29	-29
Engineer and related occupations	3	27	-24	1	16	-15	5	25	-20
Technician: draftsman	27	321	-273	-	328	-328	-	425	-425
Technical inspector and related occupations	1	14	-13	1	9	-8	-	12	12
Architect and related occupations	-	2	-2	-	2	-2	1	1	-
Land surveyer and related occupations	2	38	-36	4	44	-40	5	72	-67
	1	21	-20	-	19	-19	1	14	-13

It was evident from the data above that skilled migration is serious in South Africa and that concerns raised in the media and other platforms had merit.

## 2.2 SKILLED MIGRATION IMPACT ON COUNTRIES

Debates around skilled migration focus mostly on source countries as they are mostly affected negatively by this phenomenon. Destination countries benefitted the most from skilled migration and as such research on them is limited. Research presented two contrasting viewpoints on the impact of skilled migration on countries, with positive and negative consequences for source countries (Garcia-rodriguez et al., 2015). These perspectives are discussed in the sections that follow.

### 2.2.1 Pessimistic perspectives of skilled migration

Skilled human resources migration has for decades been regarded as having a negative impact on source countries as this migration phenomenon left source

countries with less skilled workers to drive economic development. Emigration of skilled individuals from poor countries to rich countries negatively affects source countries' economic growth, reduces labour productivity, leads to generally higher prices for public goods and investment loss in human capital development (Garcia Pires, 2015).

A source country not only incurs costs of educating the professionals, a cost carried by the tax payers of the source country, but also suffers harm with respect to average level of human capital, the ability to respond to innovation and modern technologies, and services development (Gërmenji & Milo, 2011). Germenji and Milo (2011) further posited that skilled migration leads to higher unemployment in the low skilled category of labour in a source country. Skilled migration also deprives the source country of tax revenue that would have been derived from employed skilled professionals (Agbiboa, 2012).

Due to scarcity of skills, professionals who elect to stay derive benefit by being able to command a premium for their skills (Bhorat et al., 2002). In other words, emigration of skilled professionals worsens the shortage of skills in an economy and in the process drives up remuneration for the fewer skilled personnel who remain, a research finding in South Africa (Bhorat et al., 2002). This in turn contributes to the widening wage gap between skilled and unskilled workers, and aggravates challenges associated with social inequalities. Developed countries benefit from getting the brightest and best skills from developing countries, consequently exacerbate economic inequalities between rich and poor countries (Findlay & Cranston, 2015).

Skilled workers impart knowledge and share their experience with teams they are involved in, especially in advanced technology areas, leading to skill loss upon emigration of skilled professionals (Bhorat et al., 2002). Bhorat et al. (2002) further highlighted that flight of skilled professionals may influence potential investors to doubt the economic and political stability of a country, and thus consider investing their money in other more stable environments. Skilled professionals' emigration therefore creates a negative image of a country, threatening potential foreign economic activity in the process.

Bhorat et al. (2002) made the point that skilled emigration does not only impact a country through loss of current skills, but also denies it of future skills. They argued that dependents of skilled workers had a high prospect of becoming skilled themselves.

Hence, skilled workers most likely take their children with them when they emigrate denying a source country of future skills. The long term effect of skills loss is, according to Borat et al. (2002), a reduced pool of prospective skilled workers for the local economy.

### **2.2.2 Optimistic perspectives of skilled migration**

Another school of thought, which presents an optimistic view of skilled migration without denying the negative effects on the source country, is that skilled migration generates benefits for the source country by encouraging investment in education, foreign direct investment flows, remittances, knowledge and skills gained by returning workers in the host country, as well as better quality of governance (Germeji & Milo, 2011). According to Germeji and Milo (2011), part of the money earned and saved abroad is transferred by emigrants back to the families left in their countries of origin. Between 1990 and 2010, remittances into Africa grew markedly peaking at \$40 billion dollars in 2010 alone (Agbiboa, 2012).

Furthermore, skilled workforce returning to their countries of origin bring with them newly acquired skills, financial resources as well as links to networks that boost productivity and economic development in home countries (Germeji & Milo, 2011).

The returning skilled workforce also has a commitment to building institutions vital for social stability and economic growth in their home countries. A high number of skilled professionals in a country creates a social issue when they are unemployed. Skilled migration thus alleviates this social problem by creating an avenue for those who leave and a low rate of unemployment for those who choose to stay (Germeji & Milo, 2011).

Bhorat et al. (2002) submitted that “an important outcome from the brain drain has been a realisation, albeit somewhat gradually, by policy makers in South Africa that a potentially successful response to the problem lies in trying to encourage the entry of skilled foreigners, both through promoting the country as a location to live and work in, and vitally through easing the regulations governing immigration”.

## **2.3 MIGRATION THEORY**

Migration theory has been studied for many years. Academic literature dealing with labour migration from many theoretical perspectives exist. Some of the prominent theories in migration are discussed below.

### **2.3.1 Neoclassical economic theory**

The neoclassical economic theory of labour migration is the oldest theory. This theory suggests that wage differences between regions are the driver of labour migration (Porumbesco, 2015). According to Porumbesco (2015), the wage differences observed under the neoclassical theory are a consequence of labour demand and supply mechanisms. Where the demand is high and the supply inadequate, the wages will be higher than another region with a different demand and supply combination.

### **2.3.2 New economics of labour migration theory**

The new economics of labour migration (NELM) theory considers migration as a channel families use to spread income risks and overcome market challenges by sending out the best human capital within their family to earn money for them outside the country (Makina, 2012). Under this theory, families are cushioned against economic fluctuations in the home country by the foreign income received from the family member working outside the country.

### **2.3.3 Dual labour migration theory**

The dual labour migration theory posits that labour migration is driven by segments in the labour market of the host country. According to this theory, these segments can be divided into primary and secondary segments, where the primary segment generally requires highly skilled labour and advanced production methods, and the secondary segment requires low skilled labour and labour intensive production methods (Porumbesco, 2015). The fundamental assumption of the dual labour migration theory is that migration is a consequence of labour demand in labour intensive production process, according to Porumbesco (2015).

### **2.3.4 Structuralist migration theory**

Structuralist migration theory contends that migration is driven by a consideration of economic and social factors between destination and source countries (Makina, 2012). It differs from other theories in that it does not only consider wage differences, labour demand and supply, or the structure of the labour segments, but rather the theory rests on a thorough comparison of economic and social factors in both countries or regions under consideration.

## **2.4 MECHANISMS OF SKILLED MIGRATION**

The mechanisms through which skilled migration occurs can be viewed as having four components, brain drain, brain gain, brain return and brain waste.

### **2.4.1 Brain drain**

The brain drain theory falls within the school of a negative view of skilled migration in that it perceives the impact of skilled migration as having an overall detrimental impact on a source country. The brain drain argument is that skilled migration widens the gap between rich and poor nations (Davis & Hart, 2010). This then provides the necessary impetus for the fewer skilled professionals in poor nations to emigrate, therefore making the welfare situation worse (Brassington, 2012). Poverty is associated with economic inequality. If brain drain contributes to an economically unequal society, it stands to reason that it is morally undesirable (Brassington, 2012). Brassington (2012) pointed out that government deprioritises investment into education if there is a greater prospect of a majority of skilled professionals emigrating. This leads to a deteriorating state of public institutions. These perspectives sum up the overall position that skilled migration produces results of questionable morality.

Agbibo (2012) challenged the notion that source countries alone incurred the costs of educating skilled migrant workers. He argued that it was simplistic to put forward the idea that a source country was the sole provider of funding. But rather, he submitted a view recognising the contribution of developed countries in funding education for students from a source country. While a skilled migrant might have received his/her high school education in a source country, further education may have been concluded in a destination country (Agbibo, 2012).

Companies operating in a country in which there is scarcity of resources are faced with a number of skills demand and supply challenges. Competition for available skills becomes intense, with rising costs of recruitment and retention. This pushes up average wages of skilled resources in a country, increases wage inequality between highly skilled and low skilled workers, and also increases their bargaining power for even higher remuneration packages. Organisations are forced to be innovative in building a reward structure aimed at keeping skilled resources in their employ. Low skilled resources find themselves relegated to lower levels of consideration, further widening the wage inequality gap in the source country. Legislated labour

requirements, like employment equity in the case of South Africa, add to the mix of skilled resource challenges organisations encounter and require action or resolution.

#### **2.4.2 Brain gain**

Proponents of the brain gain argument perceive the opportunity for skilled migration as the value attached to investment in education (Davis & Hart, 2010). Good emigration prospects heighten expected returns on human capital and thus stimulate interest and investment in education in a source country (Behrens & Sato, 2011). Behrens and Sato (2011) argued, however, that even though emigration may stimulate skill formation in a source country, brain drain becomes detrimental if expected returns on human capital become too good. The key finding from their study (Behrens & Sato, 2011) was that skilled migration increased the wage gap between the host and source country, but decreased the wage gap within the source country. In other words, skilled migration increases the proportion of unskilled workers in the source country resulting in a decrease in the wage gap among them.

Skilled migrants remit money back to family in their home countries on a regular basis. This serves as a source of livelihood and upliftment of social standards for family members in the home country. Remittances also serve as a source of foreign currency for poor countries and lower the cost of borrowing in international markets (Kalipeni, Semu, Mbilizi, Clemens, & Pettersson, 2012). According to Kalipeni et al. (2012), Sub-Saharan Africa received more than \$20 billion in remittances in 2007, a number which exceeded foreign direct investment in the region. In the short term, remittances might address daily needs of recipients of such remittances. However, the long term economic development of home countries of migrants remain unaddressed (Kalipeni et al., 2012). In line with this view, remittances may thus stimulate importation of goods but contributes very little to domestic manufacturing, unemployment reduction or export sector development (Oberoi & Lin, 2006).

Networks theory suggests that there exists a network of migrants in a host country that makes it attractive for other potential skilled migrants in the source country to consider emigrating (Garcia-rodriguez et al., 2015). Through this network, potential migrants' risks of migration decrease. The network is stronger where there are family ties. Information, technology and knowledge transferred through these networks to those left behind benefits the source country if put into good use, like building home country institutions.

### **2.4.3 Brain return**

When conditions in a sending country improve return becomes an appealing prospect for skilled migrants, thus bringing with them acquired knowledge and networks to the benefit of the sending country (Davis & Hart, 2010). Makina (2012) presented three broad theoretical frameworks to explain return migration phenomenon. The neoclassical economic theory of migration suggests that migration is propelled by wage differences between countries. This theory assumes potential migrants gather economic information about the intended destination country and compare it with that existing in the home country (Makina, 2012). Return migration is conceived to be failed migration if expected opportunities and earnings were not realised, leading to return. Accordingly, if wages in a host country become equal to or less than possible wages in a source country, migrants are likely to return (Kaba, 2011).

The new economics of labour migration theory suggests that migrants successfully achieve the objective and, as such, only stay in the host country for a specific period, thereafter return to the home country. As an example, such migrants might return to their home countries with either higher educational qualifications which enable them to get higher paying jobs or return with large sums of money which is used as capital to fund business startups (Kaba, 2011). A prolonged stay reduces the chances of return as the migrant begins to assimilate the culture and the environment of the host country.

Unlike the neoclassical economic theory and NELM, structuralist theory contends that return migration is a function of situational and structural factors based on a particular context and social configuration (Makina, 2012). The central argument of this theory is that success or failure of return is based on a comparison of economic and social reality of the home country with the expectations of the returnee. Accordingly, this view suggests that if returnees' expectations at least match the social and economic reality of the home country, prospects of return are high. Conversely, if social and economic reality of the home country are below expectations, then chances of return are diminished (Makina, 2012).

### **2.4.4 Brain waste**

Brain waste is a situation where a person does not reap the benefits of human capital formation in which the individual invested (Garcia Pires, 2015). This happens when an individual working in a host country is employed in a job demanding less skill than the

skill he or she possesses. First, knowledge that skilled individuals are employed in lesser skilled jobs may slow down future skilled migration, therefore reducing the brain drain effect. Second, due to being employed in lesser skilled jobs the potential value of remittances is reduced, thus reducing the brain gain effect (Garcia Pires, 2015).

Garcia Pires (2015) introduced another aspect of brain waste as a result of low transferability of skills. He argued that a skilled migrant was likely to end up employed as unskilled on the basis of low human capital transferability from source to host country. In his study, Pires (2015) found that brain waste reduced the drive for individuals left in the source country to pursue education and thus reduced the chances of brain gain. He further found that education subsidies had less chances of improving the quantity of skilled people in the brain waste scenario. Supporting Pires' view on brain waste, Agbibo (2012) submitted that in a US study of the labour market performed by Ratha et al., immigrants from seven African countries out of 15 holding bachelor's degrees had a 40% chance of securing employment in their fields of study. This clearly impairs the source country. But for the emigrating individual, if the overall benefit is positive then brain waste is not a major issue. On the other hand, if the overall benefit is negative then the individual may view brain waste negatively. So, an education policy's efficiency is improved if it supports skills transferability in that more people will perceive value in acquiring education.

In a similar vein, brain waste occurs when a skilled professional suffers discrimination in the host country and consequently lands in a lesser job than that he is qualified for (Agbibo, 2012). It is noted that brain waste also occurs in a home country if there are fewer jobs than are qualified people. In South Africa, government policies like employment equity quotas arguably render some professionals employed in unrelated jobs.

## **2.5 PUSH AND PULL FACTORS DRIVING SKILLED MIGRATION**

Kar and Guha-Khasnobis (2006) viewed skilled migration as being influenced by three main factors. First, the increasing wage gap between the skilled and unskilled in a host country. This makes a host country attractive to skilled professionals and discouraging to unskilled labour. Second, host country restrictions on unskilled labour, thus reducing illegal emigration largely done by unskilled labour. Third, shortage of skilled labour in developed countries. The drivers of skilled migration are push and pull factors existing in source and destination countries, respectively. Push factors are largely associated

with home country political and social situation, personal circumstances and the general environment. They are factors that influence individuals to leave one area and move to another area. Specific to skilled migration, push factors relate to factors that force an individual to leave his or her country of origin and move to a host country for economic and non-economic reasons. Push factors are perceived as being negative because they force individuals out of their home countries (Rasool et al., 2012).

Pull factors are those that are attractive to potential migrants about a destination country. A potential emigrant undergoes a research process about an intended host country prior to making and committing to a decision to emigrate. The research process may be a semi-formal research process where a migrant candidate does a search through sources like print media, state documents and internet about a destination country. On the other hand, the research process may take an informal nature where a candidate obtains information from existing networks, like word of mouth, friends and family that have already emigrated.

### **2.5.1 Country based factors**

#### *State of the Economy*

Skilled migrants normally follow correct channels to enter the economy of host countries compared with a majority of unskilled migrants who enter illegally. Agbiboa (2012) highlighted the role of per capita income between source and host countries as a driving force for skilled migration. Professional migrants access a host country's labour market at a comparable level to local people, thus maximising their benefits (Garcia-rodriguez et al., 2015). Economic growth suggests increased probability of securing employment. South Africa's growth projections have been steadily declining in the past few years, leading to increased job losses and unemployment.

It was found that high inflation rates in South Africa reduced the value of savings, while currency fluctuations initiated an elevated degree of uncertainty among skilled individuals in the economic prospects of the country (Rasool et al., 2012). An economic crisis in a country also contributes to skilled migration. One such example is Zimbabwe, where many Zimbabweans were pushed into neighbouring South Africa following that country's economic crisis (Agbiboa, 2012).

One of the key pull factors influencing emigration is higher salaries in destination countries compared with home countries. Highly attractive salary packages were a

major factor in emigration of highly skilled South Africans to countries like North America, Europe and Australia (Bailey, 2003). Bailey (2003), citing Rogerson and Rogerson (2000), further posited that exposure to international work opportunities were considered important by young professionals in the decision to emigrate, though this group of skilled professionals may not be lost permanently. Developed economies have access to advanced technologies in industries like healthcare, manufacturing and information technology which makes them very attractive to skilled migrants who envisage themselves benefitting from having access to such technology thereby improving their skills. This is supported by Nzukuma and Bussin (2011), citing Van As (2001), who recognised that complex economies require highly talented professionals with global intelligence, multicultural articulacy, technological know-how and the ability to manage across many organisations. Furthermore, capital markets efficiency such as the United States of America have contributed to formation of small and medium sized companies that are also targeting the same pool of skilled resources targeted by large corporations (Nzukuma & Bussin, 2011). These factors have contributed to the highly mobility of professionals in the labour market.

#### *Social-Political Drivers*

Socio-political factors driving skilled migration relate to increased crime levels, declining working conditions and delivery of services, elevated costs of living, low levels of remuneration, political instability and declining standards of education (Rasool et al., 2012). Many African countries have been plagued by wars, tribalistic driven violence, government coups and corruption (Benedict & Ukpere, 2012). Therefore, political stability becomes an important factor in the emigration decision of skilled professionals.

Bhorat et al. (2002) found that a majority of South Africans, largely white, were emigrating because of concerns regarding deterioration of the quality of life. Corroborated by the findings in Rasool et al. (2012), Bhorat et al. (2002) suggested that dissatisfaction centred around rising levels of crime and security concerns, taxation, increasing cost of living, declining public and commercial services. However, those emigrating did not express low levels of unhappiness with their level of economic position and health care (Bhorat et al., 2002). While some white South Africans cited government's employment equity and affirmative action as a contributory factor in the decision to emigrate, black South Africans expressed a positive view of government's performance with regard to these policies as they provided access to previously inaccessible job categories (Bhorat et al., 2002; Rasool et al., 2012).

Over 50% of skilled workers in South Africa that emigrated quoted declining education standards as one of the reasons for emigrating. These professionals expressed concern about the education future of their children leading to emigration (Rasool et al., 2012).

An important reason for skilled migration is the presence of migrant networks in a host country (Garcia-rodriguez et al., 2015). Agbiboa (2012) suggested that prospective migrants who already had relatives and friends in a host country were influenced to emigrate as the risks and costs of emigration were reduced.

Stability of institutions in a destination country, like education, added to potential skilled migrants' intention to turnover. Supply side factors influencing skilled migration may be retirement of workers in host countries leading to skills shortages, inability of developed countries to produce skills at a rate matching the development of their economies thus forcing host countries to look beyond their borders for skilled workers.

Countries abroad provide better working conditions that are favourable to skilled professionals furthering their education and training, better social and retirement packages, and employment policies that reward performance (Awases, Gbary, Nyoni, & Chatora, 2004). Low levels of crime and violence in a destination country is an important attraction factor to potential skilled professionals, in that they consider those to contribute to a better quality of life for themselves and their families (Rasool et al., 2012).

### **2.5.2 Organisation based factors**

#### *National policies and laws*

Policies and laws enacted by government are rules of conduct for both individuals and businesses. They inform managers of businesses on how to respond with regard to employment practices.

In South Africa, employment equity and affirmative action are national policies that are compulsory for organisations to adopt as part of their organisational policies. A consequence of this is high mobility of talented professionals in South Africa due to companies pursuing statistics to meet the requirements of these laws (Nzukuma & Bussin, 2011). Research found that white people in South Africa felt marginalised by

these policies and believed that their skills were not appreciated in the country, thus emigrated (Rasool et al., 2012). Furthermore, emigrants argued that these policies limited their promotion opportunities in organisations. Therefore, leadership that has the rich emotional intelligence necessary to retain this dynamic workforce becomes an essential ingredient for organisations to possess (Nzukuma & Bussin, 2011).

#### *Remuneration*

Cash payment that an employer provides an employee for services rendered is called remuneration (Schlechter, Hung, & Bussin, 2014). Organisations that are able to offer different levels of remuneration stand a good chance to differentiate themselves from competitors (Schlechter et al., 2014), and therefore attract skilled professionals who prefer remuneration structures that suit their personal needs.

#### *Promotion opportunities*

Employees are attracted to organisations in which they perceive existence of promotion opportunities. Promotion means that an employee can take higher levels of responsibility and get rewarded for successful execution of tasks associated with the new job. Employees that do not see any chance of promotion become restless and easy targets for other companies.

#### *Employer branding*

The image that an employer projects through organisational policies, procedures and actions is referred to as employer branding (Shah, 2011). Shah (2011) argued that employer branding can be used to attract and retain suitable employees, and that it “has an impact on shareholder value, creates positive human capital practices and contributes to the bottom line”. According to Shah (2011) employer branding differentiates an organisation and provides an opportunity to intensify employees’ satisfaction and happiness, which in turn leads to retention.

#### *Leadership related factors*

Corporate culture is the glue that pulls together employees of an organisation, and it also excludes others (Nzukuma & Bussin, 2011). The structure of management in South Africa has led to a state of individualism, competition and a culture that promotes inclusiveness and solidarity, leading to an in-group and out-group clusters within an organisation where in-groups are perceived positively and out-groups negatively (Nzukuma & Bussin, 2011). In their study for talent retention in South Africa, Kerr-Phillips and Thomas (2009) found that organisational culture was “an important factor

in attracting and retaining high achievers, and that culture also facilitated their attrition”. High performance work cultures with minimal red tape were highlighted as key ingredients in attracting and retaining high performers. Respondents in Kerr-Phillips and Thomas’ (2009) study cited exclusionary cultures, ‘old boys’ networks and lack of women in senior positions in organisations as an issue. They viewed these elements as proponents of cultures that do not remunerate high levels of job performance but rather paid people according to their inclusion into the ‘inner-circle’ networks that exist in the organisation.

### *Learning and development*

Skilled professionals are attracted to organisations that create an environment for learning and development. Kerr-Phillips and Thomas (2009) offered that a well structured leadership development programme that exposed employees to all facets of the business gave an organisation a competitive edge over its competitors. High potential employees search for opportunities that quickly advance their careers and boost their marketability. In their study of job-hopping by black managers in South Africa, Nzukuma and Bussin (2011) found that black senior managers did not leave their career development to organisations because of lack of trust in organisations to drive their careers. But rather, they managed their career development by moving from one organisation to another to grow their skills and competences (Nzukuma & Bussin, 2011).

## **2.6 RETENTION RESPONSES TO SKILLED MIGRATION**

### **2.6.1 Countries’ response**

For developing countries brain drain presents substantial challenges in relation to policy (Iravani, 2011). Both coercive and conducive means to limit skilled migration have been tried by many African governments. “Sudan and Malawi once limited departures by requiring exit permits, and some African countries have tried contractual bonding that requires students who study overseas to return after completion of their education by ensuring that the departing student receives a foreign visa that requires the student to return home, such as the two-year home rule in US student visas (Shinn, 2008). Ethiopia, Ghana, Nigeria and other African countries have tried this strategy to no avail. Compulsory service in the country after graduation has also been tried as a means of delaying departure for overseas employment. Other countries have imposed a monetary bond on skilled personnel in order to render emigration less attractive” (Kalipeni et al., 2012; p.167).

Governments facilitate skilled migration by approving immigration policy and legislation targeted at specific skills that are considered to be scarce and of high economic value in the country. As an example, the South African department of home affairs created special skills work permits to facilitate immigration of professionals from other countries. This created a gateway for workers from other countries who possess desired skills to come into South Africa. A brain drain can influence government to reduce tax levied on human capital, and consequently encourage more people to improve their skill levels, leading to growth in the production output of a country (Gungor & Tansel, 2014).

#### *Education investment*

While investment in education and training may be one policy response to skills shortages, it was argued that this was an insufficient response to address the skills shortage situation in South Africa (Rasool & Botha, 2011). They submitted that such a response may be appropriate if it could be demonstrated that there was a decline in the total employment gap as more people got trained. According to Rasool & Botha (2011), the minister of higher education and training, Dr Blade Nzimande, concurred in 2009 that education and training would not be sufficient to alleviate the skills shortages in South Africa. Other interventions beyond investment in education and training were therefore necessary to address this problem.

#### *Immigration policy*

One way to improve the negative impact of skills shortages in a country is creating a conducive policy and regulatory environment for foreign skills to flow into a country. The South African immigration policy was found to be restrictive in facilitating the inflow of much needed skills into the economy (Rasool, Botha, & Bisschoff, 2012). They highlighted challenges such as quota permits, application backlogs, police clearance, business permits, evaluation of qualifications, intra-company work permits, residence permits and documentation as contributory factors restricting skills importation into the South African economy.

#### *Partnership of private and public institutions*

Partnership of private and public institutions is another mechanism that governments employ to retain skilled professionals. Private institutions generally have a higher level of technology investment compared with public institutions. Private institutions also tend to remunerate skilled professionals at a higher rate than public institutions. In the

South African health sector, for example, skilled health professionals are allowed to work outside the public sector to earn extra income while still remaining in the employ of the public sector (Awases et al., 2004).

Awases et al. (2004) also noted another mechanism where South African hospitals partnered with United Kingdom hospitals in a staff exchange programme in order to impart special skills. Such a mechanism contributed to reducing the need for skilled professionals to leave the country since they could earn more money and get access to special skills development without having to make the difficult choice of emigrating.

### **2.6.2 Organisations' response**

Retaining critical skills is important for the present and future survival of an organisation (Sutherland & Jordaan, 2004). According to Sutherland and Jordaan (2004), Bussin (2002) reported that retaining critical skills and reducing the rate of turnover had become very important, making attracting and retaining highly skilled professionals a key organisational competency.

Several factors may influence workers' intention to stay or leave an organisation. The intention to leave an organisation is a good indicator of turnover (Sutherland & Jordaan, 2004). In South Africa, turnover of highly skilled professionals is running at historically high levels, observed Sutherland and Jordaan (2004).

Organisational culture, opportunities for learning and development, remuneration, healthy balance between professional and personal life, are some of the levers companies have at their disposal to improve the level of personnel retention (Kyndt, Dochy, Michielsen, & Moeyaert, 2009). Companies need to look at their own circumstances in relation to competitive forces they face and adopt approaches that would best suit their needs. Horwitz (2013) suggested that managing talent well, creating a value proposition, providing training and development opportunities were some of the many ways companies could use to respond to skilled migration. He further noted that less than 20% of South African businesses utilised the skills levy system run by government which could work in their favour.

In their study in South Africa, Sutherland and Jordaan (2004) listed a number of most and least important factors they found to be variables affecting retention of key skills. This is shown in tables 4 and 5 below.

**Table 4:** The most important variables affecting retention (Sutherland & Jordaan, 2004).

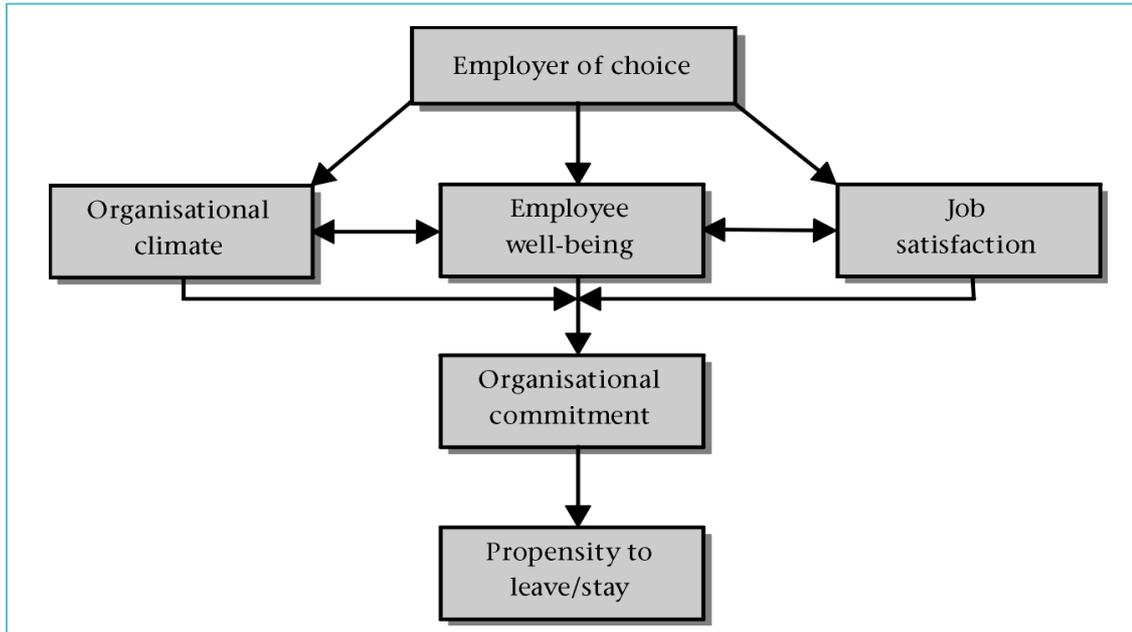
Variable	Mean
1. Lack of challenging work	3.52
2. Level of trust in management	3.46
3. Lack of career development opportunities	3.42
4. Incentives/bonus/variable pay	3.37
5. Base pay	3.37
6. Individual recognition and praise being given	3.36
7. Freedom to work independently	3.33
8. Career planning by the organisation	3.29
9. Relationship with your boss	3.25
10. Issues you have raised being unresolved	3.25

**Table 5:** The least important variables affecting retention (Sutherland & Jordaan, 2004).

Variable	Mean
10. Receiving an upsetting performance review	2.54
9. Upsetting organisational changes	2.53
8. On-going stress at work	2.52
7. Share options in the company	2.43
6. Medical aid benefit	2.36
5. Physical office environment	2.33
4. Social friendship at work	2.20
3. Distance between your home and work	2.13
2. Ease of staying in current organisation versus difficulty of moving to another job	2.09
1. Emigration intentions	1.89

A similar picture is observed in Veldman's 2003 model. Veldman's employee commitment model grouped factors affecting an employee's decision to stay or leave a company along the following themes: job satisfaction, organisational climate and employee well being (Kotzé & Roodt, 2005).

**Figure 1:** Veldman’s employee commitment model (Kotzé & Roodt, 2005).



Each theme of Veldman’s model is unpacked in table 6 below (Kotzé & Roodt, 2005).

**Table 6:** Factors that influence retention in Veldman’s model (Kotzé & Roodt, 2005).

<p><i>Factors relating to organisational climate</i></p>	<ul style="list-style-type: none"> <li>• Lack of clear direction</li> <li>• Level of control of work environment</li> <li>• Innovative and supportive sub-cultures</li> <li>• Employees’ reaction to “the war-for-talent mindset”</li> </ul>
<p><i>Factors relating to job satisfaction</i></p>	<ul style="list-style-type: none"> <li>• Job satisfaction, task characteristics and role stressors</li> <li>• Leadership and managerial strategy</li> <li>• Satisfaction of higher order needs</li> <li>• Asymmetric information</li> </ul>

<p><i>Factors relating to employee well-being</i></p>	<ul style="list-style-type: none"> <li>• Skills and talent development</li> <li>• Advancement opportunities</li> <li>• Fair treatment, care/concern and trust, and better communication</li> </ul>
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*Organisational goals and culture*

The workforce in organisations in South Africa became more diverse after 1994. Consequently, organisations have to create and harness organisational cultures that inspire full participation of the diverse employees, especially talented individuals who can drive competitiveness of the organisation (Kerr-Phillips & Thomas, 2009). To retain skilled workers, organisations need to eliminate negative associations of organisational cultures and create those that enhance personal development, fair rewards distribution, and alignment of personal and organisational goals.

*Human resources practices*

Employees that have a strong attachment to an organisation because of their strong identification with the goals of the organisation and want to continue participating in the organisation tend to demonstrate affective commitment. Affective commitment is an “employee’s emotional attachment to, identification with and involvement in the organisation based on positive feelings or attitudes towards the organisation”(Coetzee, Mitonga-Monga, & Swart, 2014; p. 2).

Human resources practices have a significant impact on employee retention. Human resource practices relate to policies and procedures within an organisation. According to a study by Coetzee et al. (2014), policies and practices significantly and positively predicted employees’ continuance commitment, which is commitment emanating from high costs an employee associates with leaving an organisation. Employees facing this situation remained in the organisation because they related the costs of leaving with sunk costs and therefore signified a great loss for them, hence they stayed in the organisation.

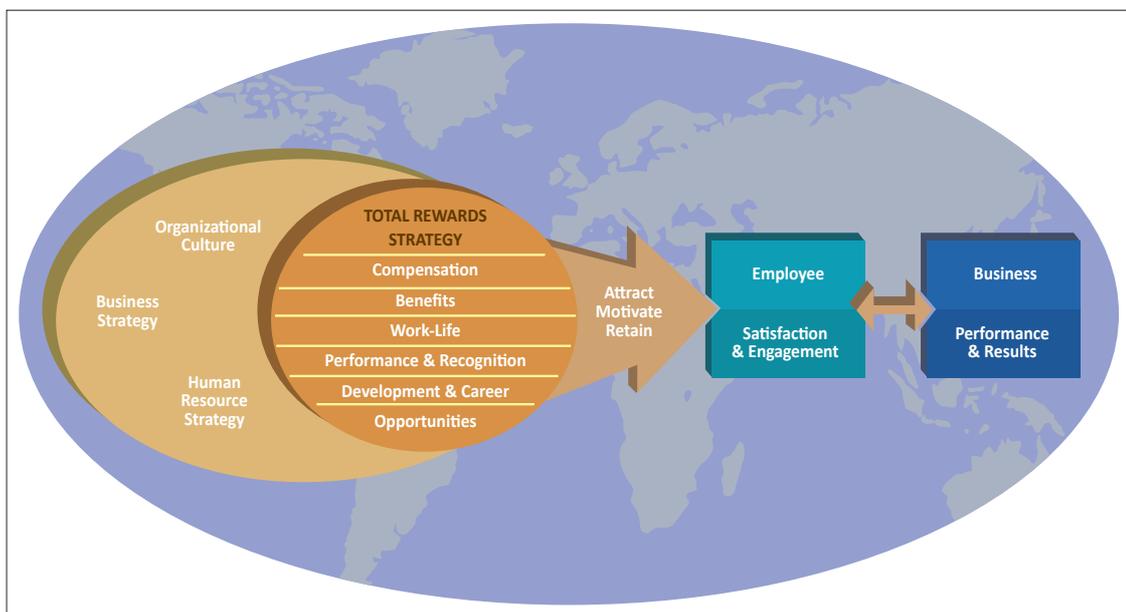
Employees may also feel indebted to stay with a company because they consider it morally appropriate to do so (Coetzee et al., 2014). A company may, for example, have paid for an employee’s education who feels compelled to stay with the company to pay back the debt. Coetzee et al. (2014) defined this situation as normative commitment.

Thus, positive perceptions of training and development, rewards and leadership enriched normative commitment, according to Coetzee et al. (2014).

## 2.7 REWARD ELEMENTS

“Total rewards attempts to embrace everything employees value and gain from working” (Rumpel & Medcof, 2006). Reward is considered to be an essential tool to attract, motivate and retain talented employees (Bussin & Van Rooy, 2014). Bussin and Van Rooy (2014) submitted that total reward programmes comprise monetary and non-monetary elements. Monetary elements include basic salary, bonuses, share options, car allowances and other monetary benefits. Bussin and Van Rooy (2014) defined non-monetary rewards as anything else over and above monetary rewards that an organisation offers an employee. They advanced that non-monetary rewards are a composition of a psychological contract that exist between an employee and the organisation. The key elements of total rewards identified in the WorldatWork’s (2006) model are given in the figure below.

**Figure 2:** WorldatWork (2006) total reward strategy model (Bussin & Van Rooy, 2014).



This model identified five key elements of the total reward strategy that are important for employee retention, namely; compensation, benefits, work-life balance, performance and recognition, development and career, and opportunities. Bussin and Van Rooy (2014) explained each of the total reward elements.

Compensation relates to cash payments made by an employer to an employee for work done. This is different from *benefits* which are defined as rewards used by an employer to supplement the cash payment and bear no relation to performance by the employee.

Work-life balance relates to the extent that organisational policies and programmes allow for and support an employee to be able to maintain a healthy balance between commitments within and outside the organisation. An example of work-life balance might be an organisation creating an allowance for an employee to work from home when there is a need for the employee to respond to home related activities, like looking after a child.

Performance and recognition talks to how an organisation recognises and rewards performance at a team and individual level when organisational goals have been met. Performance is meaningful to employees if it is commensurate with pay or rewards. Citing Grigoriadis and Bussin (2007), distinguishing between high and low performing workers through salaries has become difficult, hence the use of programmes like variable pay schemes (Schlechter et al., 2014).

Employee development encompasses the learning that an employee gains while in the employ of an organisation, while career opportunities are prospects that an employee has within an organisation to advance his/her career. An employee must view opportunities as achievable if they are to have any meaning at all. It is, therefore, incumbent upon an organisation to expose employees to opportunities in line with their development in order to improve chances of retention.

## **2.8 SUMMARY**

From the preceding discussion, contrasting schools of thought relating to the impact of skilled migration on source countries were discussed. One perspective is that source countries are harmed by skilled migration. The other presents a less pessimistic view by suggesting that skilled migration has its own benefits for a source country and individuals concerned. It was evident that skilled workers take into consideration a number of factors when deciding on migration and how these factors impacted them and their families. The literature review also considered possible country and organisational level responses to skilled migration. Chapter 3, which presents research questions, flows from the various aspects of skilled migration that have been

explored in chapter 2. It provides the focus area of the research in a manner that answers can be obtained from research subjects and thus provide richer insights into factors influencing skilled migration in the oil sector.

## CHAPTER 3

### 3. RESEARCH QUESTIONS

#### 3.1 INTRODUCTION

In order to address the purpose of the study, a set of questions that guide the focus of the research were developed. The research questions were aimed at establishing reasons or factors technical professionals at Engen refinery considered in making decisions to either stay in the country or seek employment in a foreign country. Added to this, the research questions sought to uncover organisations' employee retention actions in response to skilled migration and the strength or intensity of such actions.

#### 3.2 RESEARCH QUESTION 1:

##### **What are the country factors that are influencing a decision to stay or emigrate?**

The purpose of this question was to gain insight into respondents reasons for deciding to leave or stay in the country. These reasons could relate to political, social, environmental or economic variables.

#### 3.3 RESEARCH QUESTION 2:

##### **What are the organisational factors that are influencing a decision to stay or emigrate?**

This question sought to uncover reasons relating to the organisation that respondents considered as important in making the decision to stay or emigrate. Organisational factors were presented in chapter 2.

#### 3.4 RESEARCH QUESTION 3:

##### **What elements of the reward model are currently in use to attract, retain and motivate employees?**

Reward elements vary from one organisation to another. The aim of this question was to establish which reward model elements were key in attracting, retaining and motivating technical professionals in the organisation. In other words, the researcher wished to ascertain unique reward model instruments that were in use and how these compared with what employers and employees considered to be important in attracting, retaining and motivating them. From this comparison, the researcher would be able to ascertain the extent of alignment of existing reward model elements with

those that were considered by employees to be very important in the decision to emigrate or stay.

### **3.5 SUMMARY**

The subject of skilled migration is a very broad topic which cannot be exhausted in the time allocated for this research. Consequently, the research study was done in a narrow and focused way. Thus, the purpose of the research questions was to provide areas of focus for the research. The focus areas were to explore the country and organisational factors that employees considered in making the decision to emigrate or stay. The research then explored what key reward elements existed, to what extent these were aligned with the factors raised by employees, and whether employees and employers had the same views on skilled migration. The next section, chapter 4, presents the research methodology employed by the researcher in order to answer the research questions.

## CHAPTER 4

### 4. RESEARCH METHODOLOGY

#### 4.1 INTRODUCTION

This chapter presents the methodology followed by the researcher to answer the research questions raised in chapter 3. The research followed a semi-structured approach where personal interviews were held with research participants. The participants were technical people in the oil industry who emigrated or have considered emigration as an option.

The research was qualitative and exploratory in nature given that the researcher intended to gain insights into reasons technical professionals in the oil industry chose or considered emigration. The sections that follow outline and provide justification for the research method followed by the researcher.

#### 4.2 RESEARCH DESIGN

The choice of research method is influenced by what the researcher seeks to achieve. Quantitative research methods require the researcher to ask the same questions in the same order to a number of different subjects so as to obtain data about a particular point (Saunders & Lewis, 2012). Saunders and Lewis (2012) explained that data so acquired is used to describe or explain a causal relationship between two or more variables using statistical analysis. Furthermore, quantitative research methods aim to make generalisations about observed behavior or characteristic beyond the boundary of research.

In contrast, qualitative research methods are exploratory in nature. They seek to explore and describe rather than explain and test (Cronin, 2014). Exploratory studies lend themselves well to discovering general information about a subject not clearly understood by the researcher. The findings from qualitative research are narrow but go deeper into the enquiry about certain characteristics (Saunders & Lewis, 2012). Such studies provide insights and deeper understanding of the subject matter, but findings tend to be restricted to the area of study. Generalisations of such findings have been widely debated in literature.

Proponents of quantitative research decry the value of qualitative analysis on the basis of the non-generalisability of the findings from a qualitative study to other settings (Tsang, 2014). Conversely, qualitative researchers argue that generalisation in itself is not a legitimate criterion for evaluating case studies, wrote Tsang (2014). Consequently, the concept of generalisation requires expansion. Two main types of generalisations persist, namely; theoretical and empirical generalisations. Empirical generalisations take the observed characteristic of a sample and deduce that the population from which the sample was drawn has that characteristic (Tsang, 2014). In contrast (Tsang, 2014), theoretical generalisations account for between-variables relationships observed in a study applicable to a population and can be extended to other populations.

Since the researcher sought to uncover insights into reasons technical professionals in the oil industry considered emigrating or staying in their companies, a qualitative exploratory process was regarded to be suitable for this research. Additionally, the research pursued a single case study approach based on Engen refinery. A case study is defined as an empirical probe that seeks to gain deeper insight of a particular phenomenon within its environment, where boundaries between phenomenon and environment are not evidently defined (Tsang, 2014; Yin, 1981). According to Casey and Houghton (2010), a key trait of a case study is that it permits a researcher to deal with intricate situations within the prevailing context. This case study research adopted instrumental study principles which allow a researcher to select and examine a case so as to provide comprehension into a particular issue (Casey & Houghton, 2010). The research, accordingly, intended to provide the best illumination of the research questions, thus treating the case as a means to an end (Casey & Houghton, 2010).

Due to time constraints, the research took a snapshot view, that is, it provided insights at a point in time as opposed to a longitudinal dimension which focuses on investigating the same characteristics within a context over a series of time intervals (Saunders & Lewis, 2012).

### **4.3 RESEARCH PHILOSOPHY**

#### **4.3.1 Ontology and Epistemology**

Bracken (2010) advanced that a researcher may adopt differing ways of viewing social reality or ontological outlooks. Ontology relates to how the researcher views social reality. There are two basic ontological perspectives.

First, a researcher might treat social interactions as being a response to some external stimuli. Bracken (2010) suggested that human behaviour may therefore be a reaction to external stimulation whereby the human subjects themselves neither have any influence on their own reaction nor the external stimuli. The social interactions are also independent of the researcher's perception. Second, the researcher may - on the other hand - consider social reality as constructed by the individuals who interact with and make sense of their world through those interactions. In this case, the researcher searches for answers in the individuals' experiences through rigorous interpretations (Bracken, 2010). The researcher's perception plays a role in interpreting the dynamics of social interaction.

Epistemology relates to how knowledge is created and distributed about certain areas of inquiry (Bracken, 2010). While ontology is about perspectives on social reality, epistemology is about how those perspectives are known and shared. Where the ontological perspective is one based on external stimuli as the driver of social interactions, the epistemological dimension is positivism. That is, social interactions respond to scientific testing and a positivist manner of inquiry. Scientific analysis pursues factual certainties of human interactions. The founding principle is that once external conditions are subjected to control and monitoring, a researcher would be able to subject these conditions to experimental testing to uncover facts about human behaviour (Bracken, 2010). Where the ontological perspective is a function of the researcher interpreting the social interactions based on subjects' individual experiences, the epistemological dimension is an interpretivist dimension. The fundamental principle here is for the researcher to study the extant human behaviour and provide explanations of observed phenomena. There is no external stimulation of human behaviour, but rather behaviour is purely influenced by the forces or interactions between and among the human subjects under study.

In this research, the aim was to gain deeper insight into reasons technical professionals considered emigration through interpretation of the subjects' experiences within their environment. Thus, this objective was aligned with the interpretivist ontology. This approach was found to be suitable and sufficient in addressing the researcher's objectives.

#### **4.4 POPULATION**

A study population is defined as all the people from which a researcher can legitimately select cases for a research study (Robinson, 2014). In defining the study population, a researcher determines who constitutes the population and who does not by utilising inclusion and exclusion criteria that have been selected for the study (Robinson, 2014). Robinson (2014) clarified that inclusion criteria is one that qualifies a candidate to be part of the study, while exclusion criteria disqualifies a candidate.

The study population for this research was selected to be technical professionals and managers in the oil industry in South Africa, where ‘technical’ was used to determine who could legitimately provide valuable and relevant information for the research. More specifically, engineers and engineering technicians constituted technical professionals. All other types of technical professionals in this industry were excluded from the population. For this research, time constraints, limited resources and the inability to identify and contact everyone in the target population, it was impractical for the researcher to use the entire population (Saunders & Lewis, 2012).

#### **4.5 SAMPLING**

##### **4.5.1 Sampling method**

Due to the researcher’s inability to source a complete list of technical professionals in the oil industry in South Africa, non-probability sampling methods were employed (Saunders & Lewis, 2012). The sample was drawn from technical professionals at Engen refinery only. In addition, it was unlikely that the researcher would know everyone who would have been eligible to participate in the research. Instead, by virtue of being an Engen refinery employee, the researcher opted to first use a purposive sampling method. This method is normally used when a researcher selects a candidate deemed by the researcher to be suitable to provide rich answers to the research questions (Saunders & Lewis, 2012). Use of this method in this study was justified because the researcher was aware of and knew technical professionals at Engen refinery who have emigrated and some who intended to emigrate.

Technical professionals who were known to the researcher to be considering emigration or have emigrated helped in identifying other technical professionals within Engen refinery who were also considering emigration. The snowball sampling method, which works on referral, was adopted to expand the sample size. Candidates selected through the snowball technique are inclined to identify those in the same situation as

them, thus resulting in a homogeneous sample (Saunders & Lewis, 2012). Consequently, people interviewed for the case study were initially chosen by the researcher using personal judgement, followed by those that were identified through the referral process by candidates already selected by the researcher.

#### **4.5.2 Sampling size**

A sample is a group of respondents extracted from the study population from which answers to research questions can be obtained (Saunders & Lewis, 2012). In drawing a sample from a study population, more criteria is used to determine who or what will form part of the case study.

For this study, only technical professionals from Engen refinery were selected. Using more inclusion or exclusion criteria in sampling increases homogeneity of the sample (Robinson, 2014). Homogeneity of a sample is important in that it provides representativity. If more than one sample is drawn, similar characteristics would be observed. Homogeneity thus confines the findings of a research process to the case under study. Conversely, some qualitative methods have a preference for heterogenous samples, like the grounded theory method. Here, a characteristic common to all the samples makes findings of a study generalisable across all the heterogenous samples (Robinson, 2014).

Homogeneity of the selected sample for this research was enriched by including technical professionals, who worked at Engen refinery, and who have considered emigrating. Technical professionals who have never considered emigrating but worked at Engen refinery were excluded from the sample. The researcher intended to interview at least 15 people from different engineering backgrounds and thereafter use data saturation as the determining factor for the cut off point. However, data saturation was reached at a count of 12. Data saturation is a point where no new information is obtained from research participants (Saunders & Lewis, 2012). Interview consent forms were sent to identified subjects for their approval prior to setting up the interview sessions.

#### **4.6 UNIT OF ANALYSIS**

A unit of analysis is simply defined as that 'thing' one wishes to measure or study. It relates to who or what should provide the data. In this research, the unit of analysis was technical professionals who work in the oil industry who have emigrated or have

considered emigration from South Africa. The researcher intended to identify and analyse the factors influencing technical professionals at Engen refinery to emigrate. Furthermore, evaluation of alignment and intensity of reward model elements with the drivers of skilled migration added to the richness of the research.

#### **4.7 DATA COLLECTION**

The research instrument employed for the study was a set of semi-structured interview questions designed to guide the researcher through the interview process. The questions are given in appendix b.

##### **4.7.1 Data collection methodology**

A suitable data gathering instrument is one that will enable the researcher to extract answers to the research questions (Saunders & Lewis, 2012). The research was confined to technical professionals at Engen refinery. Given that technical professionals are spread across a number of departments within the refinery, a large enough sample was obtained by conducting personal interviews across departments using semi-structured questions. Semi-structured interviews were suitable for this research in that the researcher intended to uncover responses to specific themes of the research topic.

In semi-structured interviews the researcher can elect to change the order of questions and ask or not ask certain questions depending on relevance to the participant (Saunders & Lewis, 2012). Interviews were scheduled with participants and were expected to last not more than an hour. In order to be effective in the interview process, the researcher clearly explained the key themes of the interview to the participants by focusing on what the research questions were all about so as to direct the thinking along those lines. The interviews were recorded so that exact words exchanged between the interviewee and the researcher were captured. This also allowed the researcher to seek clarity from the interviewee on aspects of the interview that the researcher believed needed expansion or further probing. Added to that, the researcher also took some notes during the interview as additional data.

##### **4.7.2 Interview guideline**

The first part of the interview guideline captured demographic information of the respondents. In the personal details, it was important to capture the engineering

discipline the respondent belonged to as this was used in as a source of engineering profession diversity. The number of years the respondent had spent in the field of engineering was also captured as an important criteria. This shed light on the professional experience profile of the respondents.

The balance of the questionnaire was formulated with each research question providing the guiding path to be followed. Sub-questions deemed to be suitable to provide answers to the research questions were designed. The sub-questions under each research question were asked in a manner that the researcher would get more information relating to each research question. The research questions were then circulated to a number of people to test their understanding of the sub-questions and relevance to the research question each belonged to.

#### **4.7.3 Interview trial run**

Before embarking on a full scale interview process with identified human subjects, the researcher selected three candidates for an interview using the developed interview guide. It was essential to ascertain the duration of the interview, how comfortable respondents seemed to be during the interview, and the type of data that was likely to be obtained from a full scale interview.

Piloting the interview process in this manner added value in getting a perspective of the interview process and rectify shortcomings. It improved the robustness of the interview instrument in that all the questions in the instrument were understood in the same way by all participants. Data collected during the piloting phase did not form part of the research data and, as such, it was discarded.

#### **4.7.4 Data analysis**

Initially qualitative data was spread across all areas. The task for the researcher was to make sense out of this data. The semi-structured interviews were designed in such a manner that responses could be grouped into themes for ease of analysis. The responses were transcribed, fed into AtlasTi software and coded inductively. This brought together all data bearing on major themes, sources, interpretations, concepts, providing a way the researcher used to store and retrieve the data (Taylor, Bogdan, & DeVault, 2015). The themes were structured such that issues raised in the research questions were addressed. Data from AtlasTi was then transferred to excel to produce frequency distribution tables for each theme.

## 4.8 CREDIBILITY, DEPENDABILITY AND TRANSFERABILITY

### 4.8.1 Credibility

Qualitative researchers use the term credibility instead of validity to imply the same thing. In quantitative research, validity is a concept that establishes if the research essentially measures what the researcher said it was designed to measure or establishes the truthfulness of the research findings (Golafshani, 2003). For validity, the research not only requires establishing that the research is measuring what it was intended, but also the research instrument must be accurate, wrote Golafshani (2003). Shenton (2004) submitted that in qualitative research, it is important that the research is credible - that is, it is considered to be trustworthy. According to Golafshani (2003), although some qualitative researchers decry the applicability of the term validity in qualitative research, they acknowledge the need for some form of qualifying measure for their research. Consequently, some researchers have adopted different terminology such as quality, rigour and trustworthiness to substitute validity.

In this case study research, triangulation was used to establish credibility or trustworthiness. Shenton (2004) considered triangulation as involving a number of respondents where viewpoints and experiences of individuals were substantiated against others resulting in deeper insights of attitudes, needs or behaviours of the people interviewed. In other words, triangulation establishes an intersection of emerging themes from different sources and angles of approach.

Four types of triangulation approaches were mentioned by Zivkovic (2012). Data source triangulation seeks to find data that does not change with the context. In other words, the context may change but the data remains the same. Investigator triangulation is where different investigators research the same occurrence. Theory triangulation seeks to apply different theories on the same data set. Lastly, methodological triangulation occurs where different methods have been applied to the same data set. Hence, triangulation endeavours to deliver assurance in the robustness of the data set utilised in case analysis (Zivkovic, 2012).

The researcher followed data triangulation by interviewing technical professionals from different engineering disciplines and departments in order to gain different viewpoints of the same problem. Thus, the themes that emerged were derived from the different opinions expressed by the human subjects engaged in the study.

#### **4.8.2 Dependability**

In qualitative research, the concept of reliability is closely associated with dependability. The notion of reliability finds favor in quantitative research in that it can be used for evaluating quantitative research (Golafshani, 2003). Other researchers may want to repeat the research in future, if not to obtain the same results, thus deeming the research dependable or reliable. Reliability is the extent to which the same results of a research can be obtained if the research is repeated at a different time using the same research instrument and procedure (Golafshani, 2003).

Positivists researchers address the issue of reliability through the use of statistical techniques to demonstrate that repeating the same research in the same environment, employing the same methods on the same candidates, comparable results will be obtained (Shenton, 2004). Qualitative researchers find this approach to be problematic. Instead, qualitative researchers require that the process within the research is reported in depth to establish dependability (Shenton, 2004). Such reporting may include research problem formulation, interview recordings, notes, just to mention a few.

Therefore, to ensure that the research was dependable the researcher prepared an interview guideline which was used during the study. The interview process was recorded and transcribed by the researcher. The process used to manipulate or treat the data is given in appendix 2.

#### **4.8.3 Transferability**

In determining whether research findings are applicable in another research context, qualitative researchers use transferability as opposed to generalisability as used by quantitative researchers. The debate around the transferability of qualitative research findings has been an ongoing issue for researchers for decades. Researcher Marrow argued in 2005 that the small sample size in qualitative research and the lack of statistical analyses of qualitative data makes applicability of qualitative findings to other situations outside the research area invalid (Chenail, 2010; Shenton, 2004).

This view, according to Chenail (2010), was challenged by researchers Lee and Baskerville in 2003, where they argued that those who questioned the transferability of qualitative findings have constrained themselves to one idea that transferability should embrace statistical sampling and analyses. They suggested that this position has been

extended beyond its applicable area of statistics (Chenail, 2010). In dealing with transferability in qualitative research, Chenail (2010) submitted that each member of a purposeful sample is selected based on their contribution to theory development. The theory is considered to be comprehensive and thus can deal with all similar situations within and beyond the research boundaries (Chenail, 2010). This is in contrast with generalisability in quantitative research which uses randomly selected demographic characteristics or variables which are then assumed to be applicable throughout the population (Chenail, 2010).

In this research, the transferability of the results of this study was not tested. Rather, it was accepted that the findings only pertained to the boundaries of the research. However, it is suggested that the findings presented insights into the extant phenomenon with regard to technical skilled migration, and that there is an opportunity to explore this further beyond the boundaries of this research.

#### **4.9 ETHICAL CONSIDERATIONS**

Saunders and Lewis (2012) emphasised the importance of ethical considerations in research. In particular, three important areas of research were highlighted by Saunders and Lewis (2012), namely; research design, data collection and data interpretation.

The researcher discussed and obtained the necessary approval to conduct the case study research at Engen refinery. All approvals and consent forms were submitted to the Gordon Institute of Business Science as part of the ethical clearance process required by the university. This was done prior to data gathering. Participants in the research process were guaranteed of confidentiality in relation to their identity and information that was collected during the interviews and this was communicated to all participants. Confidentiality of research subjects is not only important, but also assists in providing protection against harm that relates to information attributed to respondents (Saunders & Lewis, 2012).

Human subjects were identified using pseudo names in order to conceal their identity, thus ensuring anonymity. Participation in the study was completely voluntary and participants were advised of their prerogative to revoke their participation in the study at any juncture of the process. Participants were not coerced or incentivised by any means to take part in the study.

#### **4.10 LIMITATIONS**

Even though qualitative research provides insight into a particular phenomenon, one must be cautious in drawing definitive conclusions from such research (Saunders & Lewis, 2012). Importantly, findings from qualitative research cannot be generalised, but are only applicable and specific to the research boundaries in which the research was undertaken. Against this background, the following limitations were identified:

- The sampling choice introduced bias as the researcher was referred to similar candidates with similar reasons, thus losing out on diversity.
- In selecting the sample, purposive sampling was used. As such, the findings from this research cannot be extended to the entire population. That is, the findings cannot be generalised to cover all technical professionals in the oil industry in South Africa.
- The research could have benefitted from covering other petrochemical companies operating in South Africa. Also, the research could have been expanded to cover technical professionals in all divisions of Engen to provide more diversity of data. However, given time and money limitations, the research was confined to Engen refinery.
- Managers were unwilling to provide in-depth insights regarding specific company retention strategies for fear of divulging sensitive information pertaining to employees.
- The research was a snapshot research on the sample characteristics. Snapshot research refers to a particular time of a research study and may not be applicable at another time. It does, however, provide the researcher with insight into an extant phenomenon at that particular time.

#### **4.11 SUMMARY**

In summary, the research followed a qualitative research method. It was exploratory in nature with the objective of uncovering insights into the reasons for skilled technical migration at Engen refinery. Initially, a purposive sampling method was employed based on the researcher's judgement, followed by snowballing sampling. The interview instrument was first piloted on a small group of people in order to identify any challenges with the process and establish the interview approximate duration. The results were arranged in themes for analysis in line with the research questions. The limitations of the research were noted in drawing conclusions about the findings. The next section, Chapter 5, provides the results from the interview process that was followed to answer the research questions raised in chapter 3.

## CHAPTER 5

### 5. RESULTS

#### 5.1 INTRODUCTION

Chapter 5 is a presentation of the results to the research questions raised in chapter 3. These results were obtained using the research methodology discussed in chapter 4. This section begins by providing an overview of the sample characteristics. A description of how the data was organised and analysed is then given. Following this, responses to each research question are presented with accompanying commentary. In conclusion, a summary of results is given to consolidate the findings of the research.

#### 5.2 SAMPLE OVERVIEW

For this research project, 12 technical professionals from Engen refinery were interviewed by the researcher. The final size of the sample was determined by data saturation. That is, when no new information was uncovered during the interview process no further interviews were undertaken. The respondents' sample was drawn from different types of engineering professions plus human resources. Added to profiling by professional discipline, the researcher ensured that some demographic characteristics were catered for in the sample. The combination of the different perspectives from which data was sourced was done to ensure data source triangulation. Table 7 below shows the distribution of the technical disciplines in the sample.

**Table 7:** Distribution of candidates interviewed in the case study.

Technical Discipline	Profession	Number of candidates interviewed
<b>Electrical</b>	Engineers	1
<b>Operations</b>	Operations	3
<b>Chemical</b>	Engineers	3
<b>Mechanical</b>	Engineers	2
	Technician	1
<b>Process safety</b>	Engineer	1
<b>Human resource</b>	Human resource	1
<b>Total</b>		<b>12</b>

Furthermore, participants in the interviews were drawn from both management and technical professionals. This was done to explore technical and management perspectives in relation to the research questions. This distribution is given in table 8 below.

**Table 8:** Distribution of technical professionals and managers.

Function	Profession	Number of candidates interviewed
<b>Managers</b>	Human resources	1
	Chemical	1
	Mechanical	1
<b>Technical</b>	Chemical	2
	Electrical	1
	Mechanical	2
	Process Safety	1
	Operations	3
<b>Total</b>		<b>12</b>

The researcher also ensured that both male and female professionals were interviewed for this research. This was important so as to realise different data sources along gender lines. The gender distribution is given in the table below.

**Table 9:** Distribution of candidates interviewed in the case study.

Gender	Profession	Number of candidates interviewed
<b>Female</b>	Chemical	1
	Process safety	1
<b>Male</b>	Chemical	2
	Mechanical	3
	Electrical	1
	Operations	3
	Human Resources	1
<b>Total</b>		<b>12</b>

South Africa is a multi-racial country that has a history of segregation along racial lines. Consequently, the researcher was interested in obtaining views from different races

regarding the issues presented by the research questions in chapter 3. The racial distribution of the sample is given below.

**Table 10:** Racial distribution of candidates interviewed.

Race	Profession	Number of candidates interviewed
<b>African</b>	Mechanical	3
	Electrical	1
	Human resources	1
<b>Indian</b>	Operations	1
	Process safety	1
<b>Coloured</b>	Operations	2
<b>White</b>	Chemical	3
<b>Total</b>		<b>12</b>

The research sample also included technical professionals that had emigrated and those that were considering emigration. Emigrated professionals provided information in relation to factors that drove them to emigrate and how their experiences in the destination countries differed with that in South Africa. The distribution between those that emigrated and those that were considering emigration is given in table 11 below.

**Table 11:** Distribution of emigrated respondents and those considering it.

Emigration status	Profession	Number of candidates interviewed
<b>Emigrated</b>	Operations	3
	Process safety	1
	Chemical	2
<b>Considered</b>	Mechanical	3
	Chemical	1
	Operations	1
	Human resource	1
<b>Total</b>		<b>12</b>

### 5.3 DATA COLLECTION AND PROCESSING

Data was collected using semi-structured interviews, recorded, transcribed and analysed using AtlasTi software and excel, which allowed the researcher to manipulate the data in several ways. An inductive approach to data analysis, where a researcher

uses the data to formulate general conclusions or theory about a phenomenon, was used for this research. The research questions formulated in chapter 3 were informed by the literature review undertaken in chapter 2.

The researcher then conducted semi-structured interviews which were exploratory in approach. These interviews were recorded by the researcher with the permission of respondents, including taking notes and making observations. The intention was to explore the perceptions of respondents regarding emigration of technical professionals by using the research questions in chapter 3 as an instrument, and whether the findings would lead to some general conclusions about the observations made. The general conclusions made were compared with the theoretical content of chapter 2 for confirmation or dispute of the theory on skilled migration.

Responses to the questions were coded inductively and grouped into categories that the researcher deemed to be representative of the collective ideas of the different respondents for each research question. Code saturation was used to ultimately arrive at the final number of codes generated. Direct quotations from the interviews were utilised by the researcher to give credence to key points in the research. A table of the number of respondents that commented on a category and the frequency or number of times people referred to a particular theme is given in each section. At the end of each research question a frequency summary graph is provided to represent a view of the ranking of the factors discussed under each research question. The results that follow are presented according to each research question in chapter 3.

## **5.4 RESULTS IN RESPONSE TO RESEARCH QUESTION 1**

### **What are the country factors that are influencing a decision to stay or emigrate?**

The purpose of this question was to gain insight into respondents' reasons for deciding to leave or stay in South Africa. These reasons could relate to a number of country issues covering but not limited to political, social, environmental or economic aspects.

#### **5.4.1 Crime and security**

Ten respondents commented about the impact of crime and security on the decision to emigrate. All but one of the respondents that commented were very concerned about crime and security in South Africa. Some of the respondents have been victims of

crime repeatedly with the growing feeling that little is done to curb the growing threat of crime in this country. Other respondents submitted that they would consider emigration if they had children. This supported a view that technical professionals with families are most likely to consider emigration to provide a better secured environment for their children, even though they themselves may not personally feel threatened by crime. It would seem that the existence of a family, children in particular, heightens the need for technical professionals to emigrate. Respondents presented a view that the countries they have considered or emigrated to have very low levels of crime, classified as petty crimes.

There was, however, one professional who expressed that crime was everywhere, and that he would only consider emigration as a result of crime only if he personally experienced a traumatic event. His view was that South Africa was the safest place at the moment given the rise in terror attacks in overseas countries.

**Box 1:** Particular responses from technical professionals in relation to crime and security.

*“...I want to share this with you. Where I'm working right now, I'm working in Saudi Arabia in a city called Yanbu. I'm able to leave my door open and sleep. I don't lock up there. I can go to the shopping centre at any time of the night, or even walk in the street at any time of the night. I can lay my hand on my heart that no one will interfere with me.”*

*“...Yes, I've been a victim of crime several times. People broke into my house several times and stole my stuff. And some of these incidents happened just in the evening, not even late in the night. People broke into my house, they broke the doors, they took the stuff, and they disappeared. And those guys haven't been even today.”*

*“...For crime to be a factor it would have to be, like, I have a traumatic event where something traumatic happens, and then I would think about leaving South Africa. But crime happens everywhere, whether you move to England or whatever. And with the current suicide bombings I think it safer to be in South Africa.”*

*“...Security as well. Even though we do have our systems which are supposed to make us secure but it depends where you are. There is less crime in other countries, petty crime.”*

*“...I think it’s from a career point of view more. Yes at one stage because of crime and etc, it was really strong on my mind to emigrate to another country.”*

*“...My mom was very devastated when she heard I was leaving and she asked me to leave the children with her. That was not an option. I take my children where ever I go.”*

*“...The real reason, we don’t have children. So, perhaps if I had children definitely I would have been out of the country 100%. But because I don’t have children I don’t have to.”*

One manager agreed with technical professionals’ view that crime and security was an important consideration in the decision to emigrate. He summed it up as follows.

**Box 2:** A manager’s view on crime’s contribution to the emigration decision.

*“...We can afford extra security, we can put alarm systems, and a lot of people live in estates where it is much safer. But the guys that are exposed to the normal suburbs, I think they are more exposed to crime. They can see it from hijackings across all income groups. But if you look at house robberies and things like assault, it creates a picture and an experience of crime that people can’t live with and therefore decide to emigrate. How do you stop crime?”*

The number of times respondents mentioned the crime and security category, and the distribution between managers and professionals is given in the table below.

**Table 12:** Frequency distribution of managers and professionals on crime and security factors.

	RQ1-Crime and Security frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	14	9	9
<b>Total</b>	<b>15</b>	<b>10</b>	<b>12</b>

#### 5.4.2 Culture

One technical professional expressed a view, on the contribution of national culture in the decision to emigrate, that the country of choice had to provide a culture that they

perceived as conservative for their children. This element was considered to be important in the upbringing of their children.

**Box 3:** A particular response from a professional regarding national culture as a factor in emigration.

*“...My children’s schooling and the culture in the country I find myself in, recognising that the children mature a lot faster here. So, I was a bit worried because I heard of a lot of teenage pregnancies and you know it’s so common, and when we left my daughter was about nine. So, the things she was talking about I felt it was inappropriate for a child. So, I was looking for a more conservative culture.”*

Only one respondent from management shared a view on how he perceived differences in culture influencing skilled migration. A point was made that technical professionals seek employment in other countries so as to experience different ways of doing things and hopefully bring back the learnings in the future.

**Box 4:** A particular response from a manager regarding national culture as a factor in emigration.

*“...The second element that I have experienced is people that just have the drive to explore different cultures, different ways of working and see that they can find that in other countries – go and find yourself somewhere else. Maybe you will get a better perspective of things which you can bring back to your country at a later stage and that happens a lot in the younger generation who would want to explore before they start to settle. So, you can find that especially if they don’t find employment at the early stage of their career within South Africa.”*

**Table 13:** Frequency distribution of managers and professionals on national culture as factor.

	RQ1-Culture frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	1	1	9
<b>Total</b>	<b>2</b>	<b>2</b>	<b>12</b>

### 5.4.3 Political factors

Regarding political factors, 5 out of 9 professionals considered political issues affecting the country as contributory factors in the decision to emigrate or consider emigration. Concern was raised regarding the political direction of the country. There was a view that the African National Congress government was leading the country towards economic and social decline.

Poor governance was also raised as a major contributor to the decision to emigrate or consider emigration. To illustrate this point, calls for the president of the country to pay back the money used to upgrade his home in Nkadla were made with the president ultimately paying a portion of the money as directed by the courts. At issue is how governance practices are not followed in accounting for the use of public funds.

Potential technical emigrants emphasised that they considered the political and social stability of a country as key inputs into their decision making process. The country of choice had to be perceived by technical professionals to be much more stable than South Africa for it to be a destination country. Some selected responses to emphasise the influence of politics in emigration decisions of technical professionals are given in Box 5 below.

**Box 5:** Particular responses from technical professionals in relation to political factors.

*“...Let me tell you this, let me say this to you, there’s a fine line of being a manager and a leader. And I’m going to put it into context, the ANC is managing the country they’re not leading our country. They say they’re leading our country but they’re not leading our country. Because, if they were leading our country we would be going up the right hill, all helping each other to stay going up the hill right now.”*

*“...I mean we can see what’s happening in the South African Broadcasting Corporation right now, where even the government that is in power is a bit concerned that the man that’s in charge there is now doing things that are totally against the constitution of the land. Now, yes we have around 40% unemployment. It’s a fact. But we’ve seen Nedlac, we’ve seen all of these processes, but if someone puts it on the wall for you we cannot see the charts going in the right direction. We’re only hearing stories about poor governance in every facet of the parastatals.”*

*“...The governance from a political point of view like your Nkandla scandal, your corruption scandal and governance in South Africa and how they dealt with it. Even though there’s corruption, its important how you deal with the issue.”*

*“...Yes. So, governance and application of being good stewards of the position that you hold for the people of the country is not really being applied.”*

*“...And the law and governance has to be functional. I don’t want to go to a country where there is no governance and corruption, civil war and rebels, isis.”*

One manager provided his view on how the current unrests in tertiary institutions lead to people to look to universities outside of South Africa to further their studies, ultimately contributing to skills emigration.

**Box 6:** A particular response from a manager in relation to political factors.

*“...I don’t think what is currently happening at the universities or tertiary institutions actually encourages anyone to study in South Africa because some people look at studying overseas. And so the whole set up is creating a space to look at what is available outside rather than opportunities inside.”*

The number of times technical professionals and managers mentioned political factors as contributory factors to emigration is given in the table below.

**Table 14:** Frequency distribution of managers and professionals on political factors.

	RQ1-Political frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	11	5	9
<b>Total</b>	<b>12</b>	<b>6</b>	<b>12</b>

#### 5.4.4 Social factors

Social factors are rooted in the well being of individuals and society. Sentiments around social factors were varied among managers and technical professionals. Four technical professionals and one manager submitted a view on the impact of social factors on emigration. Interviewees elevated certain social factors that had an influence

in the emigration decision. One factor raised was the availability of quality health care in the destination country and affordability. Respondents did not imply that the quality of health care in South Africa was poor. Rather, it was suggested that accessibility of quality health care was directly linked to affordability by individuals. However, the larger population of South Africa can not afford health care enjoyed by most technical professionals. Even though technical professionals could access good health care, it remains expensive and thus erodes their disposable income.

Social inequality was another point offered as an input into the emigration decision. Respondents expressed that the increasing inequality gap in South Africa had a direct correlation with the increase in crime leading to mounting feelings of insecurity in the country. Added to this, social inequality puts a strain on government to provide social benefits to citizens and by extension, pressure on technical professionals to increase their financial contributions to the tax burden of the country. There was a view that government's approach to alleviating social strife through social grants was not yielding desired results. More people were becoming dependent on the state and thus not coming out of the poverty trap. Social grants had unintended consequences of encouraging citizens to reproduce and thus increase the population of people drawing on the state for survival. Others felt that there was a need for those that are employed to contribute to the social system of the country with a proviso that the system is properly structured.

Technical professionals emphasised a need to maintain a certain lifestyle for themselves and their families. Emigration offered that avenue to build up sufficient financial reserves so as to enjoy a comfortable lifestyle beyond retirement. Below are some of the important points made during the interviews which give clarity on how some professionals felt about the social challenges experienced in the country.

**Box 7:** Particular responses from technical professionals regarding social factors.

*"...I'd consider moving my family to another place if there was good health care in that country."*

*"...Now, it's unfortunate that we don't have all stakeholders in our country appreciating the fact that we have this massive divide. The truth of the matter is we have got the extremely poor and the extremely rich, and we have the middleman."*

*“...When I say suitable lifestyle I mean I don't want to be going to a government hospital at 4 o'clock in the morning at an old age, standing in a queue to get help. I'd still want to drive a nice car, I'd still want to take my old wife with me on holiday etc. and presently the cycle is showing that we are nowhere going to achieve that.”*

*“...My wife made a classical example to me last night. We pay people in our country to have babies. Why don't we pay people in our country not to have babies? I mean it's a no brainer it'll work. But someone might say we're trampling on their constitutional right.”*

**Box 8:** A particular response from a technical manager regarding social factors.

*“...So, i don't have a problem with social grants if it is structured properly. I think there is probably some kind of responsibility for those who do have jobs to contribute their taxes. So, I don't have a negative feeling about social support.”*

A frequency distribution of technical professionals and managers on social factors is given in the table below.

**Table 15:** Frequency distribution of managers and professionals on social factors.

	RQ1-Social frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	8	4	9
<b>Total</b>	<b>9</b>	<b>5</b>	<b>12</b>

#### 5.4.5 Education

Technical professionals expressed concerned about the quality of basic education in South Africa. They felt that the declining standards of education in the country directly affected the future of their children. Thus, they considered education for their children to be an important input into the decision to emigrate. Although there was an expression that the quality of education in private schools was good, not everyone could afford to take their children to those schools. Emigration offered a possibility for technical professionals' children to attend international schools through benefits offered to emigrants in other countries.

**Box 9:** Selected responses from technical professionals in relation to education as a factor.

*“...You see I think the first thing is education. If you look at the development of education in our country I am not impressed about it particularly. And I don't see a strategy going forward to say how education is going to be improved for the citizens and the children in the future.”*

*“...I think people look at the standard of education. And when you are a young dad or young parent and you have to look into the future, what opportunities are there for your children, what level of education are they gonna get? For the guys that are fortunate enough to put their children into private schools i think they don't have a problem. But for those guys that cannot afford private schools and have to go to the government schools, I think they are very worried about the standard of education.”*

While the quality of technical professionals that is produced in South African universities is still considered to be high quality, one manager expressed concern regarding the unrests at universities forcing others to consider studying outside the country, leading to potential skilled emigration. Some selected responses to validate this point are given in Box 10 below.

**Box 10:** Management's views on higher education in South Africa.

*“...From the quality of education, I can give you my view on the quality of education for engineers. I know many people who will say that the quality of education has gone down because of allowing more people of colour to go there. But I don't agree with that. In my view what I've seen coming out of the universities is still of a very good standard. I must say that the young engineers that I get an opportunity to work with do things differently. They have more or high technology tools, better technology tools.”*

*“...I don't think what is currently happening at the universities or tertiary institutions actually encourages anyone to study in South Africa because some people look at studying overseas. And so the whole set up is creating a space to look at what is available outside rather than opportunities inside.”*

Table 16 below gives a frequency distribution between professionals and managers on education as a factor in emigration decisions.

**Table 16:** Frequency distribution of managers and professionals on education factors.

	RQ1-Education frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	3	1	3
<b>Professionals</b>	4	4	9
<b>Total</b>	<b>7</b>	<b>5</b>	<b>12</b>

#### 5.4.6 Employment opportunity

Two managers and two technical professionals quoted the lack of employment opportunities as a significant factor in the consideration by technical professionals to emigrate. Three contributory factors were offered as inputs into the decision making process.

First, technical professionals who are not considered as employment equity candidates felt abandoned by corporations in favour of those categorised as previously disadvantaged individuals. In particular, white males considered employment equity to be a barrier to their getting employed in the South African economy. Hence, emigration presented an alternative to local employment. Respondents expressed a view that this phenomenon largely affected professional white males, more so those that are young.

Second, young technical professionals find themselves overlooked due to companies' preference for experience over academic qualifications. Newly graduated professionals and those that have not yet amassed sufficient experience elect to emigrate to broaden their chances of securing employment.

Third, due to demand for technical skills in overseas countries employment opportunities for such professionals are vast coupled with lucrative remuneration packages that are much better than those offered in South Africa. In this case, employment opportunities beyond the South African borders are driven by the demand and supply of technical skills.

The interviewed professionals were all employed. Both emigrated and those considering emigration cited the demand for their skills and lucrative pay packages as key factors in their emigration decisions.

**Box 11:** Particular responses from technical professionals in relation to employment opportunity as a factor.

*“...In my experience it can be some kind of a racially based perception as a result of the Employment Equity Act where non-designated groups, that is, white males specifically feel that they are not getting the employment opportunities to get to where they want, to explore their careers or even when they are ready internally, opportunities for growth internally are limited because of the issue of trying to make equitable distribution of opportunity.”*

*“...Linked to that is the issue of experience versus qualification. What I am saying about that is, you have the qualification but when you go and look for employment they are saying ‘no they are looking for someone with experience’ and you are not given the opportunity, that is in the South African context.”*

*“...And then the last one would be where other countries are looking for specific skills and they are prepared to pay substantially to source those and people get attracted to that monetary incentive. So, it is an opportunity to make some big bucks whether it’s a short to medium term assignment and come back having collected some. We have seen that at Engen especially with operations people, operators, and companies that are still investing in refinery building new ones.”*

Managers shared similar views in relation to employment opportunities for technical professionals in South Africa. These views are illustrated in box 12 below.

**Box 12:** Some views expressed by managers in relation to employment opportunity as a factor.

*“...Which is really in terms of opportunities we all know that white graduates in South Africa already find it difficult to be placed in a work environment unless you have an opportunity where you go into a family business or you develop your own business. I think then that is where people will make decisions on emigration if they can’t get employment in south Africa.”*

*“...But what I’m saying is that African males and females do have an advantage when it comes to placements.”*

*“...Those opportunities don’t get created. You got shrinking opportunities. If you prefer it, everyone wants a piece of cake but the cake isn’t staying the same as it was, the cake shrinks. So, there is less opportunities. So, I’m talking to you from my experience and my interaction with people which I will acknowledge is far more biased towards whites than it is to the other groups in South Africa.”*

Table 17 below provides the number of times professionals and managers commented on employment opportunity as contributing to technical professionals emigrating or considering emigration.

**Table 17:** Frequency distribution of managers and professionals on employment opportunity factors.

	RQ1-Employment opportunity frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	7	2	3
<b>Professionals</b>	4	2	9
<b>Total</b>	<b>11</b>	<b>4</b>	<b>12</b>

#### 5.4.7 Remuneration

Technical professionals emigrated or considered emigration as a result of attractive salary packages in destination countries. Destination countries offer tax free benefits that afford technical professionals to send their children to international schools. The prospects of getting a salary package that is more than double that earned in South Africa initiated emigration in some instances and consideration of emigration in others. Another important point raised during the interviews was that technical professionals were very much aware of the value of their retirement benefits. There was concern that the retirement benefits will not be sufficient post retirement. Thus, emigration was perceived as an instrument to increase the value of retirement benefits by supplementing with tax free remuneration packages offered by destination countries, in particular Middle Eastern countries.

From an economic perspective, there was a view that middle class workers were made to sustain the needs of the country. The impact of the declining value of the South African currency was deeply felt by middle class workers. The South African economy has been demonstrating a declining trend over the last few years forcing more technical professionals to consider emigration. Box 13 below gives selected responses

provided by technical professionals to validate how remuneration contributed to their decisions to emigrate or consider emigration.

**Box 13:** Particular responses from technical professionals relating to remuneration as a factor.

*“...To the give you the key factors of the contract, number one for example Musa, I get annually \$60 000, educational assistance for my boys. Number two, I get \$90 000 accommodation allowance where I stay. And the only prerequisite to get those two benefits, is that my wife needs to be with me for a minimum of 180 days a year. So she’s with me for 180 days a year, so automatically I qualify for that money. Now, that \$60 000 means that I can put my children in any school of my choice in the world. I also get...”*

*“...From a professional point of view, the salary that they’re offering better than the salary I’m getting now. If I had to move to Saudi, I’d get 3 or 4 times more than what I’m getting in South Africa, tax free. So, if you do the calculations you can make the same amount of money there in 2-3 years than you would make here in 10-15 years.”*

*“...Now the cherry on top of the cake, Musa, is that if I stay there for a minimum of five years I will get a value of cash in hand of R2.4 million. Now I want to put this in perspective to the reasons to my decision to emigrate which you asked me at the front end of this discussion. In my 34 years of service at Engen my provident fund value would’ve equated to R2.4 million. So it was a no brainer.”*

*“...Looking at things like the exchange rate. For me, its the currency or the financial stability of the country...”*

*“...I feel personally that the middle class worker, which I fall into that category, is bearing the brunt of making sure that we support the needs of the country. Our economic situation, and if you look at the trends on the value of our currency over the last five to ten years, the steady decline is very obvious.”*

All managers agreed that remuneration packages offered in other countries for technical skills were much more than that currently offered in South Africa. Added to this, it was submitted that due to the economic growth challenges in South Africa, where growth was projected at less than 1% per annum, the country was not

competitive with regards to remuneration. Selected responses to provide support for this view are given in the box below.

**Box 14:** Selected views from management relating to remuneration as a factor.

*“...So, it is an opportunity to make some big bucks whether it’s a short to medium term assignment and come back having collected some. We have seen that at Engen especially with operations people, operators, and companies that are still investing in refinery building new ones.”*

*“...The forecast of the growth values were never ever achieved. Our inability with regards to our government’s ability to deliver on that promise, I mean you can see it on the television. It’s obvious when you engage with people that we have citizens that are very disappointed in the way our country is really heading.”*

Remuneration as a contributory factor in emigration decisions is given in the frequency distribution depicted in table 18 below.

**Table 18:** Frequency distribution of managers and professionals on remuneration factors.

	RQ1-Remuneration frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	5	3	3
<b>Professionals</b>	17	6	9
<b>Total</b>	<b>22</b>	<b>9</b>	<b>12</b>

#### 5.4.8 Conclusion

There was general agreement amongst technical professionals that remuneration was the most important factor in the emigration decision while managers considered it to be the second most important factor. For technical professionals, crime and security in the country emerged as the second most important consideration in the emigration decision while managers ranked ranked it fourth. Managers considered the lack of employment opportunities for professionals as the most important factor in emigration decisions. This can be seen in tables 19 and 20.

Even though both managers and professionals mentioned national culture as a factor in the emigration decision, this was the least considered factor. There was also a clear

difference between the views expressed by technical professionals and managers regarding the drivers of emigration in relation to country factors.

**Table 19:** Professionals' ranking of country factors influencing emigration.

Professionals		
Ranking	Factor	Frequency
1	RQ1-Remuneration	17
2	RQ1-Crime and security	14
3	RQ1-Political	11
4	RQ1-Social	8
5	RQ1-Education	4
5	RQ1-Employment opportunity	4
6	RQ1-Culture	3

**Table 20:** Managers' ranking of country factors influencing emigration.

Managers		
Ranking	Factor	Frequency
1	RQ1-Employment opportunity	7
2	RQ1-Remuneration	5
3	RQ1-Education	3
4	RQ1-Crime and security	1
4	RQ1-Culture	1
4	RQ1-Political	1
4	RQ1-Social	1

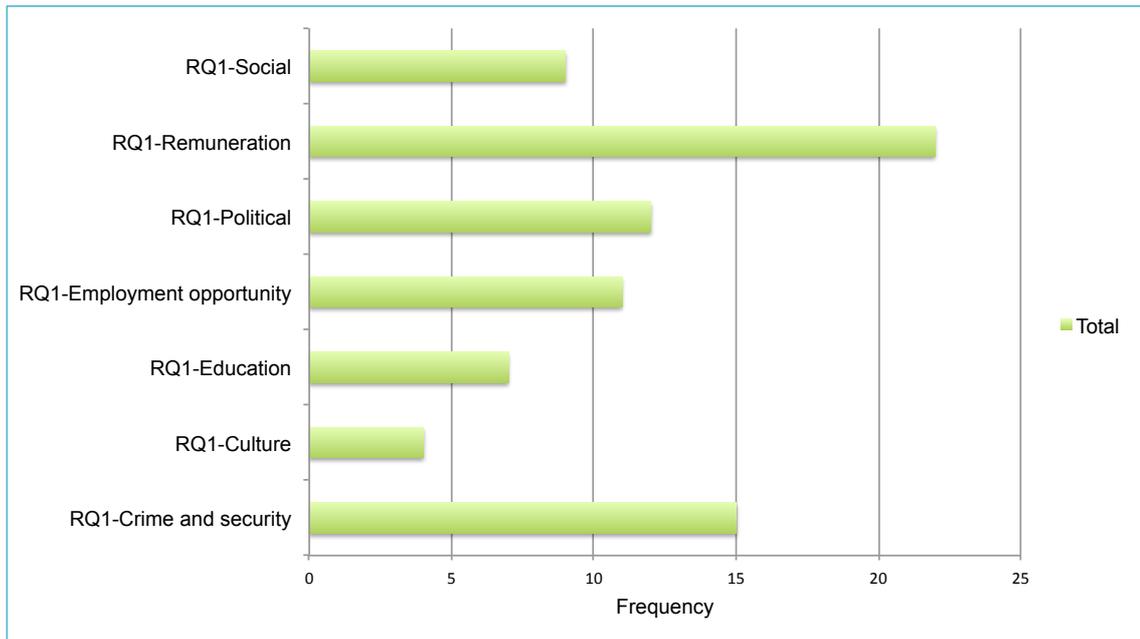
Combining the responses of all participants yielded the results presented in table 21. From table 21, it can be seen that remuneration offered in other countries was the most important factor in the decision to emigrate, while national culture was the least important factor. Host countries attracted foreign professionals by using instruments like tax relief to contribute to the attractiveness of remuneration.

**Table 21:** Total sample's ranking of country factors influencing emigration.

Combined		
Ranking	Factor	Frequency
1	RQ1-Remuneration	22

<b>2</b>	RQ1-Crime and security	15
<b>3</b>	RQ1-Political	12
<b>4</b>	RQ1-Employment opportunity	11
<b>5</b>	RQ1-Social	9
<b>6</b>	RQ1-Education	7
<b>7</b>	RQ1-Culture	4

**Figure 3:** Comparison of frequency distribution of managers and professionals on all factors.



## 5.5 RESULTS IN RESPONSE TO RESEARCH QUESTION 2

### What are the organisational factors that are influencing a decision to stay or emigrate?

This question sought to uncover reasons relating to the organisation that respondents consider as important in making the decision to stay or emigrate. Organisational factors were presented in chapter 2.

### 5.5.1 Culture

Organisational culture may influence technical professionals' decisions to stay or leave an organisation depending on how they experience the culture and how that culture impacts their professional career.

Technical professionals highlighted that the leadership culture at Engen refinery was a culture that overlooked people's competencies in job performance. It was also a culture that recognised individuals preferentially along racial lines, rendering those excluded to consider emigration as an option. Selected views from technical professionals relating to culture are given in box 15 below.

**Box 15:** Particular responses from technical professionals regarding culture as a factor.

*"...I think the main factor is the culture and the salary package. Those are the main ones that would make me consider."*

*"...The issues under the culture are that the leadership tends to be more preferential to certain races irrespective of the competencies."*

*"...No. And at the end of the day I want to be in a job that I want to do. I'd like to be more involved in energy management and Engen has given me that but I'm stuck in one role."*

Technical and human resources managers did not acknowledge any concerns regarding biased treatment of employees along racial lines nor did they bring up overlooking of certain technical professionals' competencies in favor of others on the basis of race. However, managers offered a different view of the impact of culture on technical professionals. Managers submitted that there is a culture that line managers tend to hold on to their employees and not give them the opportunities to explore other aspects of the business. Both managers and technical professionals agreed that this has been an issue in the organisation but it is beginning to change, according to management. This was articulated as shown below.

**Box 16:** Particular responses from technical managers regarding culture as a factor.

*"...However, what we have found since that time up to now is that the Engen culture has been a big stumbling block. Engen's culture of holding people is very much*

*entrenched. So when you say, we have this individual with experience, we see a position that side which we believe could be sort of right for this individual and then you find that the line manager says “no” if I release this individual then everything will fall apart, which is not the case. It is actually not the case practically because when the individual is released, the organization should be making sure is replacing him with a suitable individual. It’s one of the issues that our new CEO who started late 2015 picked up and he is now addressing. And, so he has started shaking it up from the top because once the people at the top have the experience of moving, they will be the ones that will change this culture. It’s an entrenched culture. So, that’s what has been killing the growth opportunity for the individuals because of this mind-set. Once you are in the role and you are good in the role then that keeps you.”*

Table 22 below gives a frequency distribution of managers and professionals on organisational culture as a factor in emigration decisions of professionals.

**Table 22:** Frequency distribution of managers and professionals on culture as a factor.

	RQ2-Culture frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	3	2	9
<b>Quotations</b>	4	3	12

### 5.5.2 Development

Technical development is important for engineering professionals in the oil industry. Technology advancement and its application requires that professionals are upto date with changes in their environment. Otherwise, their experience and knowledge will be rendered irrelevant in the future.

Accordingly, all technical professionals that responded to this question expressed a need for continuous development to stay relevant as an input in emigration decisions. They expressed a requirement for structured and relevant development programmes for the engineering profession within an organisation. Technical professionals suggested that Engen’s development programmes were either falling behind in terms of relevance or were non-existent in other engineering disciplines. Professionals that have emigrated shared that continuous technical development was given priority in the companies where they work. This made professionals’ skills relevant and sought after.

Below are selected responses provided by technical professionals regarding technical development in the refinery.

**Box 17:** Selected responses from technical professionals on development as a factor.

*“...It had a good development structure which worked for me and others. Over the years, I don’t know what changed because we don’t see this development anymore. Development is not like before. You had a good development program that used to show direction but that’s not the case anymore.”*

*“...The first thing is development. I don’t see any development happening in this organisation. There is no development in my discipline. I don’t find a good reason for me to stay in this organisation.”*

*“...And that’s something we need to be mindful of. Training is ongoing every day of the week. They are very structured on development.”*

Management’s view on development was that Engen refinery provides very good technical training and development with the accelerated capability development program (ACD) as one tool. As such, development was not regarded as contributory to decisions by technical professionals to emigrate. Below is a selected response from management regarding development.

**Box 18:** A selected response from a manager on development as a factor.

*“...I think for the engineers the biggest challenge I see is..., I don’t think it’s in the development of engineers. I think there’s lots of opportunities to develop in Engen. For engineers there’s all the tools you can think of.”*

Table 23 provides the frequency distribution among technical professionals and managers on technical development at Engen refinery.

**Table 23:** Frequency distribution of managers and professionals on development as a factor.

	RQ2-Development frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	9	5	9

Quotations	10	6	12
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### 5.5.3 Employment practices and promotion opportunity

Technical professionals mentioned that positions within the organisation have minimum qualification requirements for incumbents. Professionals argued that minimum qualifications were overlooked by management in certain instances when making appointments or promotions. This made professionals feel denied fair chances of competing for positions and that their qualifications were not valued by the organisation, hence their decisions to consider emigrating to countries where they would derive value for investment in education together with their experience.

Engen's accelerated capability development (ACD) system was perceived by other professionals as a system that was selectively applied in promotion decisions. Where favoured individuals did not meet the requirements of the system, management amplified other attributes for preferred candidates and used that to justify their promotion. On the other hand, non-preferred candidates who did not meet all the ACD requirements were denied promotion purely on that basis. As such, the system was perceived as unfair and a suggestion was made that it should only be used for development purposes and not applied in promotions. These views are expressed in the selected responses below.

**Box 19:** Selected responses from technical professionals regarding competencies.

*"...The hiring as well. Engen used to hire people with required qualifications. Today you see people from different environments, some without qualifications."*

*"...In terms of recent appointments made in the organisation, there's no fair opportunities being given to the whole organisation. Whether they've identified a person but at least give a perception of fairness in the organisation."*

*"...Just before I got to Angola I was offered a job in copper refinery. There they operated with 5 process engineers and one guy doing simulation/optimisation type of work. It tells you how the structure in other companies is reached. If they want a specialist in certain field they get one in their head office. So, you got one guy in head office servicing 10 or more refineries, or they get a contract company out side."*

*“...I’d just like to add that a stumbling block for me is that the ACD is aligned to what they want. In my case, I’ve been working for close to 9 years in my field and in terms of qualifications and experience, I’m above and beyond. You get into an organisation that says they want to develop you which is a good tool but I feel that it should be used more to develop people than to say it’s a promotion thing.*”

The organisation was failing to balance experience with technical qualifications, a view held by technical professionals. Technical professionals suggested that the organisation values experience more than academic qualifications. As a result, professionals with more relevant qualifications but less experience saw fewer opportunities for promotion. Therefore, they considered emigrating to other countries where academic qualifications were highly valued as an alternative, supplemented by experience.

Other professionals felt that the organisation did not offer many opportunities for growth due to the structure of the organisation. Consequently, professionals found themselves spending more years in a particular position than they anticipated, leading to professional stagnation and adding to their frustration. These sentiments are captured in the quotations below.

**Box 20:** Selected responses from technical professionals relating to opportunities.

*“...As a South African, you’d like to stay and work in your own country but now you look at your well-being and the well-being of your family and you realise that unless you explore other opportunities you won’t be in a comfortable position to lead a normal life. The organisation, in other ways, is forcing you to look for other greener pastures.”*

*“...The other thing is that the organisation tends to lean more towards experienced people, which is not a bad thing. But I feel that in order for you to have a level ground, the educational background must also play a role. If I was to go for a role with my qualifications and less experience, a guy with more experience and less qualifications would probably get the job above me in the organisation.”*

*“...And there are very few opportunities to move up. I’ve been in my role for 5 years and I wish there was some sort of step-up in the same environment.”*

*“...It’s not there. The structure is such that once you become a project engineer, what next? There’s nothing else. You will have to work here 20 years, 30 years, or whatever many years, and then you will retire as a project engineer.”*

One manager agreed with the sentiment expressed by technical professionals that opportunities for promotion were limited. That view is captured below.

**Box 21:** A manager’s response relating to opportunities.

*“...You come into a role and you are placed in that role until you almost die if you happen not to have probably managers that have a drive to actually make sure people pick up breadth. In terms of their experience, opportunities to go upwards become very limited. So, for most of individuals staying in one role for a bit longer is no longer an attraction. It used to be an attraction before but now it’s no longer an attraction.”*

Table 24 below shows the frequency distribution between managers and professionals regarding employment practices and promotion opportunities as organisational factors in emigration decisions.

**Table 24:** Frequency distribution of managers and professionals on employment practices and promotion opportunity factors.

	RQ2-Employment and promotion opportunity frequency	No. of people commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	13	7	9
<b>Quotations</b>	<b>14</b>	<b>8</b>	<b>12</b>

#### 5.5.4 Leadership

Interviewees mentioned a number of important leadership apprehensions that led to either emigration or consideration of emigration. Not all respondents raised the same concerns but rather all the leadership issues presented below were obtained from the interviews with technical professionals. The issues around leadership that unsettled technical professionals with regard to their employment and drove them to review their employment positions with the company are illustrated in the quotations below. There was a view that the organisation was not open in communication, thus keeping employees in the dark regarding the future of the organisation.

**Box 22:** A selected response from a technical professional regarding leadership secrecy.

*“...The stability and secrecy, it drives me insane. The secrecy about where we’re going. I know they’re working on a project to turn this place into a depot.”*

Technical professionals also expressed a view that leaders at the refinery were detached from issues affecting lower level staff. It was mentioned during the interviews that issues affecting technical professionals were not adequately addressed due to misalignment in perspectives between management and technical professionals. In some instances, management totally ignored queries sent to them leading to disengagement and feelings of disappointment. As a result, technical professionals looked elsewhere for employment opportunities. These views are substantiated in the quotations below.

**Box 23:** Selected responses to substantiate the point regarding detached leadership and unresolved issues.

*“...I just feel that management is not in touch with issues on the ground. The perception versus what is actually happening is different. And what I’ve discussed is a lot of the key reasons that professionals are leaving.”*

*“...Prior to me leaving in January, and I must share this with you, there was legislation approved where the legislation stipulated that there has to be some sort of equal and fair compensation for individuals that have the knowledge and the skill and the competency, even though they don’t have the necessary certification. And the government of the land says that the companies need to compensate their workers for that, and I was disappointed. When I sent out a very formal letter to the organisation’s HR department to get clarity, and up to today I have not received a formal response to that email.”*

Leadership that cares and is seen to behave in a manner that supports the values of an organisation inspire a sense of appreciation for the contribution that employees make in an organisation. There was a suggestion in the interviews that management did not demonstrate appreciation for the contribution made and that they did not care whether people left or stayed. This was well expressed in the quotation below.

**Box 24:** A response validating lack of appreciation by management.

*“...I’m still trying to understand how after I held a prominent position in Engen that neither the HR manager nor the GM took time to come and talk to me and say to me, number one, I heard you’re leaving why? Number two, what can I do to change your mind? And most importantly Musa, when I left here to say goodbye to me. Neither one of those two people did that. And I said to myself, if we talk about values, where are those values now? And that actually disappointed me.”*

When asked to explore further issues regarding leadership within the refinery, respondents described refinery leadership as one that was self-serving. There was emphasis that refinery leadership was more concerned about how their scorecard was affected by refinery events irrespective of what was happening with those around them. The employee turnover was not perceived as an issue as long as it did not have an impact on management’s scorecard.

**Box 25:** A response supporting self-serving leadership perspective.

*“...A senior leader, a senior manager of the organisation is going to make sure that his score card is always taken care of, his personal score card is well taken care of. And if he loses people in the battle, as long as his scorecard is taken care of he’s happy.”*

Last but not least, the leadership that is in charge at the refinery has been there for a very long time. Accordingly, technical professionals attributed some of the key challenges raised thus far as a direct consequence of leadership stagnation. This was also perceived as an impediment to personal growth.

**Box 26:** Perspective on lack of leadership transformation.

*“...If you’ve been in an organisation for the past 12 years, one should have seen a change in the organisation by now.”*

When asked about leadership issues in the refinery, managers were aware of existing problems. When asked if the situation would change, the response was that it would take a long time to resolve leadership issues at the refinery.

**Box 27:** A manager’s perspective on leadership concerns.

*“...As it is now, I don’t think so. It’s going to take time. It’s a process. The first thing is to acknowledge that there is a problem, and that hasn’t been done now. Once that has been acknowledged, then the next step would be to put together a plan to try and address these problems.”*

The frequency distribution of managers and technical professionals regarding leadership issues as factors in emigration decisions is given in table 25 below.

**Table 25:** Frequency distribution of managers and professionals on leadership factors.

	RQ2-Leadership Frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	20	6	9
<b>Quotations</b>	<b>21</b>	<b>7</b>	<b>12</b>

### 5.5.5 Organisational systems

Regarding organisational systems, participants submitted that Engen refinery had well established systems. However, these systems were overlooked by management in certain instances to suite particular situations. It was felt that management had the duty to follow systems religiously and bypassing these systems compromised the leadership character. An emigrated technical professional gave an example of how unswervingly management followed established systems in the country where he now works, something which was believed to be lacking at Engen refinery. Putting organisational systems into practical use was associated with professionalism of an organisation. No manager commented on organisational systems.

**Box 28:** Impact of organisational systems as a factor.

*“...The systems are there and a few of their systems are being bypassed to suit a certain group of people, I’m scared to say racial.”*

*“... If something is broken they’ve got a mindset let’s fix it, fix it and fix it up properly. They don’t come up with a temporary solution, they fix it up properly. Now, you might say they have more money than we have but they’ve learned that if they fix it up well*

*it'll work properly. Their turnaround planning is fixed for every four years, and nothing changes that, nothing changes that cycle.”*

Table 26 gives the frequency distribution relating to organisational systems as a factor.

**Table 26:** Frequency distribution of managers and professionals on organisational systems as a factor.

	RQ2-Organisational systems frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	0	0	3
<b>Professionals</b>	3	2	9
<b>Quotations</b>	<b>3</b>	<b>2</b>	<b>12</b>

### 5.5.6 Perception of corruption

The majority of interviewees expressed concern about what they perceived as corruption within the organisation. Corruption was said to be happening in two ways, favouritism and nepotism. It was felt that management progressed individuals that they liked irrespective of whether those individuals had the required competencies for the positions they occupied or were promoted into. As such, technical professionals who were not favoured felt alienated in the organisation, their careers stalling and therefore considered emigration as an option.

**Box 29:** Expression of favouritism by technical professionals.

*“...At the time when I left, that was in 2008, I guess I thought at the time that the country favoured more Indian people, not the country but the organization. Yeah and I felt that I wasn't given sufficient opportunity at the time.”*

*“...If you look at the leadership or even the position, whether a position becomes open, whether there is somebody that can apply for it or whether the people available have got the qualifications and the experience for that position doesn't matter. They fit the person and make the job around that person. Where as, if you get into another country,... this is the position, this is the minimum requirements and if you don't make it they go and hire somebody else from outside.”*

*“...Despite that you get labeled when you are long here. You get labelled and you get put in a box which is not necessarily good..... as well as you always find some*

*favourites, some people doing the work you know, the critical structure, with small organizations you get a personality clashes which can be career limiting.”*

There are a number of family relations working in the refinery. Most respondents expressed concern about this practice as they felt that this practice overlooked requisite skills for positions earmarked for family members. Consequently, skilled professionals found themselves being drawn back to assist in positions that they occupied before due to incumbents not having the necessary skills. This also raised questions about the fairness and integrity in employment practices in the organisation, raising feelings of unhappiness among employees who did not subscribe to this practice.

**Box 30:** Selected responses from technical professionals to highlight nepotism issues in the refinery.

*“...I feel that even though Engen prides itself on being family orientated, most of the people that are here are family members of each other. It doesn't create the correct environment.”*

*“...Most training is Engen employee's children and because they're family, qualifications are not considered. When you move on or change department, you land up being called up because those left behind don't have the skills or knowledge.”*

*“...I think there should be policies against hiring of family members and it feels like its unfair to anybody that's outside of the organisation especially for the positions that are critical where they need a person who is qualified and it closes gaps for the community.”*

Only one Manager made reference to favouritism during the interviews in relation to employees' promotions based on competencies.

**Box 31:** Expression of favouritism by one manager.

*“...It's a function of competencies in an added environment. If you're preferential in approach, you're likely to miss the competency part of it and you end up progressing those employees that you favour the most while the rest get frustrated and stagnant.”*

The distribution in table 27 gives the number of times perception of corruption was mentioned as a factor in emigration decisions.

**Table 27:** Frequency distribution of managers and professionals on perception of corruption.

	RQ2-Perception of corruption frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	12	6	9
<b>Quotations</b>	<b>13</b>	<b>7</b>	<b>12</b>

### 5.5.7 Performance management

Technical professionals submitted that performance ratings received did not reflect actual performance, with some feeling that the average score that was generally given to employees was depriving them of an opportunity to ‘shine’. This also had the effect that some professionals started feeling ‘average’ and felt the need to emigrate.

Supporting the view expressed above, professionals felt that the size of the rewards that was declared by company executives for sharing amongst staff had an influence on how much each professional received. As such, performance ratings were deemed irrelevant as they did not proportionally reflect in the size of the rewards. Hence, the remuneration offered in destination countries more than compensated for the lower remuneration offered in South Africa, thus presenting emigration as an attractive option for professionals.

**Box 32:** Selected responses from technical professionals to highlight performance management issues in the refinery.

*“...I mean, if you work here for a certain period and it’s appraisal time you will get an average rating and you will never be better than an average you’ll be an average. Later on all the other companies stop headhunting you. What does it tell you? Something is wrong. You start doubting yourself. That’s why I decided to go and test myself.”*

*“...Yes. I just wish they’d be more honest. Performance rating is influenced by how much money they have and how much they’re willing to give to your department.”*

Management at the refinery accepted that there were challenges with the determination of the size of the reward as it did not proportionally reflect the performance of an individual, something which was attributed to bureaucratic practices in the organisation. However, the system of performance reviews was considered to be acceptable.

**Box 33:** A selected quotation to express management’s view on performance management at the refinery.

*“...It depends on how you do in your performance appraisals, and if you perform well then your performance is part of the calculation of how much you’re going to get as an increase. But here, because there’s too much bureaucracy, you can get full score but not get a proportional increase an that is a problem.”*

Table 28 below gives the frequency distribution between managers and professionals in relation to performance management as an input to emigration decisions.

**Table 28:** Frequency distribution of managers and professionals on performance management.

	RQ2-Performance management frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	1	1	3
<b>Professionals</b>	9	6	9
<b>Quotations</b>	<b>10</b>	<b>7</b>	<b>12</b>

### 5.5.8 Racial biasness

Operating in a country that still has remnants of racial segregation, organisations find themselves having to deal with issues of racial perceptions amongst its staff. One interviewee clarified how racial issues in South Africa manifest themselves. Engen is no exception. Interviewees expressed that some systems within Engen refinery were used in a manner that favoured one race over another. African professionals highlighted, as an example, the accelerated capability development programme (ACD) which was used selectively in its application to promote one race and exclude Africans, while white professionals cited racially biased employment equity practices which all organisations are expected to abide by as exclusionary. Below are some selected quotations from interviewed technical professionals.

**Box 34:** Selected responses to highlight racial biasness in the refinery.

*“...Number two, when we engage and we are respected as human beings, not because of colour, that's also going to go a long way and I think it's becoming very obvious in the entire world that our inability to manage racial conflict is driving a wedge into the successes of any country. And it's obvious in country now, and it's true I mean we're seeing it in our learning institutions, we're seeing it in businesses etc. where we're not able to manage the racial divide”.*

*“...For us, if I speak for the black people, it's used as a whipping tool to say that you cannot get a promotion while its used to promote the other guys. For us it's a stumbling block while for them it's a positive.”*

*“...The systems are there and very few of their systems are being bypassed to suit a certain group of people, I'm scared to say racial.”*

Managers agreed that in the countries where most technical professionals emigrated to, race was not an issue. Instead, companies were much more interested in a professional's qualifications and skills, and remunerated people according to their contributions to the company. While at Engen refinery, the culture drove managers to operate along racial lines.

**Box 35:** Selected responses from managers regarding racial biasness in the refinery.

*“...One thing is the way they treat their workers, race is not an issue. It's mainly your qualifications that matter in those countries.”*

*“...The issues under the culture are that the leadership tends to be more preferential to certain races irrespective of the competencies.”*

The frequency distribution between managers and professionals regarding racial biasness at Engen refinery is given in table 29 below.

**Table 29:** Frequency distribution of managers and professionals on racial biasness.

	RQ2-Racial Biasness frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	2	2	3
<b>Professionals</b>	5	4	9

Quotations	7	6	12
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### 5.5.9 Remuneration

Technical professionals raised an issue regarding fair compensation. Some technical professionals emphasised that the remuneration given to them did not match the efforts and responsibility associated with the positions they occupied. More importantly, some professionals earned less than their subordinates when it came to remuneration. As a result, professionals felt unappreciated. There was also a view that remuneration they received was lagging behind the economic demands of a daily lifestyle, that is inflation.

Remuneration offered by outside companies could have a projected value that was more than double the value of remuneration that would be received at the end of a professional's productive life. These factors facilitated the decision to consider emigration or emigrate altogether. Some selected responses to substantiate these views are given below.

**Box 36:** Selected responses to highlight remuneration issues in the refinery

*"...Now to answer your question, position in my view, I've never ever used that as my level of satisfaction. I wanted to be compensated for the efforts that I've put in. Now, you know Musa, when you were area manager, the area specialist who reported to me or you was earning less than 50 to 60 thousand a month. And if they worked overtime because they qualified for overtime they took more money than me and you. I mean how fair is that? But I carried the total level of accountability for the organisation, legally as well, which to me was a worry. But I can't say that I hold it against the company maybe their hands have been tied."*

*"...And that is one of the reasons that I sat back in my chair in my office and I said to myself "am I not really being appreciated for my efforts that I'm giving to the organisation". Now let's look at it in context, I'm being taxed as a present South African citizen nothing under 33%. Our annual increases don't compliment a progressive and sustainable lifestyle because when you take into account the increases in all the other services that you need to support in your life e.g. medical aid etc. etc. basically you're taking home a negative increase."*

*“...If I stay there for ten years, if I retire aged 62 I walk away with 4.8 million. Now I see that, if I do the mathematics, aged 62 I would be able to have in the bank as hard currency around R7 million minimum. Now no disrespect, if I stayed working in South Africa I would have left with nothing closer than R2 million in my pocket.”*

*“...The other thing is remuneration. If your increase cannot keep up with inflation why would you stay in that organisation.”*

*“...You’ve got the security on the other side. You rub shoulders with the BP-shell guys. They’ve got salaries which you don’t see on this side to be honest.”*

A perspective from technical managers did not touch on the fairness of remuneration but rather supported the view that outside companies offered higher remuneration packages compared to Engen, leading to technical professionals taking up positions in those countries. This view is quoted below.

**Box 37:** Selected responses to highlight management’s view on remuneration.

*“...But on the refinery side, in large part, it is a monetary. That’s what is driving people to leave.”*

Table 30 below provides the frequency distribution regarding remuneration as a contributory factor in emigration decisions.

**Table 30:** Frequency distribution of managers and professionals on remuneration factors.

	RQ2-Remuneration frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	2	2	3
<b>Professionals</b>	14	7	9
<b>Quotations</b>	<b>16</b>	<b>9</b>	<b>12</b>

### 5.5.10 Retention

Technical skills retention is a very important issue for refinery operation. What makes it even more important is that it takes years to produce a technically competent engineer. Retention of such professionals thus becomes an important strategic initiative.

Technical professionals did not express a view about the retention programme at Engen refinery, suggesting indifference to its contribution to emigration decisions. Furthermore, it did not appear that leadership was concerned about the rate of skills attrition because no visible changes were introduced to address this problem. In other words, the refinery has not changed its retention package which has proven to be ineffective in retaining technical professionals.

**Box 38:** Selected responses regarding retention at the refinery.

*“...If you’re going to leave the organisation, the organisation should come up with proper retention program. It doesn’t seem that there is an interest in changing anyway.”*

Even though technical management expressed concern regarding retention, they appeared to have resigned themselves to human capital flight as a general problem that was affecting every company in the industry. Management’s view was well summarised in the following quote.

**Box 39:** Management’s view regarding human capital flight at Engen refinery.

*“... The operations people are the most wanted skills by overseas refineries. And that’s the phenomenon not just specific to Engen. It’s specific to the petroleum industry in South Africa. They all experience the same issue.”*

Table 31 reflects the number of times retention was mentioned between managers and technical professionals as contributing to emigration decisions.

**Table 31:** Frequency distribution of managers and professionals on retention factors.

	RQ2-Retention frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	2	2	3
<b>Professionals</b>	0	0	9
<b>Quotations</b>	2	2	12

### 5.5.11 Succession planning

Succession planning is a well spoken about subject in Engen refinery management meetings and committees. However, views from technical professionals were that succession planning remained a concept discussed in conference rooms. The top

leadership in the refinery is one that has occupied their current positions for many years, leading to leadership stagnation.

A view expressed was that due to less mobility in the functional management team, talented technical professionals who had reached the required level of competency for functional management positions ultimately left the company through emigration due to lack of opportunities. This was also true for those who were considering emigration. There was also a view that succession planning and implementation was conveniently ignored in favour of candidates that were preferred by management. Thus, technical professionals who had initially been earmarked for certain positions and later overlooked either emigrated or were thinking of emigrating.

No comment was received from management regarding succession planning and implementation at the refinery, again suggesting indifference from managers. This cemented the idea that the long tenure of the current leadership has culminated in a lack of succession planning initiatives for their positions. Below are some responses that were selected to crystallise the points raised.

**Box 40:** Selected responses to crystallise issues around succession planning.

*“...If they make the functional manager positions contractual, it will force them to have succession planning and create opportunities for people in the system where the company will develop people from within. You train and push people into the market.”*

*“...Now businesses from an organisation point of view, we talk about this wonderful thing called succession planning. Now, succession planning only looks good when you really see the plan in action. We sometimes bluff ourselves that we have a plan, but when we need to implement it we say eish we’ve got a problem now. That person’s not suitable, that person’s not capable, someone’s changed the process now. The bosses that come into position say well I don’t like Musa now even though he’s ready. I’m going to put another Musa that I like. So, the Musa who thought he got the job now says well, Musa number two got the job. What happened to me?”*

The number of times succession planning was mentioned during the interviews as a driver of emigration decisions is given in table 32 below.

**Table 32:** Frequency distribution of managers and professionals on succession planning as a factor.

	RQ2-Succession planning frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	0	0	3
<b>Professionals</b>	3	3	9
<b>Quotations</b>	<b>3</b>	<b>3</b>	<b>12</b>

### 5.5.12 Conclusion

From the tables below, it can be seen that the most important organisational factor in emigration decisions by professionals was leadership followed by remuneration. Technical professionals were not concerned about retention programme at the refinery, demonstrating indifference. They ranked retention as the least important organisational factor influencing emigration decisions followed by organisational culture. Managers on the other hand ranked remuneration, retention and racial factors as the most important factors influencing emigration. The racial aspect related to the feeling of exclusion by non-designated employees in employment decisions as a result of employment equity legislation. Managers did not consider succession planning and organisational systems as important inputs in emigration decisions.

**Table 33:** Professionals' ranking of organisational factors influencing emigration.

Professionals		
Ranking	Factor	Frequency
<b>1</b>	RQ2-Leadership	20
<b>2</b>	RQ2-Remuneration	14
<b>3</b>	RQ2-Employment and promotion opportunity	13
<b>4</b>	RQ2-Perception of corruption	12
<b>5</b>	RQ2-Development	9
<b>5</b>	RQ2-Performance management	9
<b>6</b>	RQ2-Racial	5
<b>7</b>	RQ2-Organisational systems	3
<b>7</b>	RQ2-Succession planning	3
<b>8</b>	RQ2-Culture	2
<b>9</b>	RQ2-Retention	0

**Table 34:** Managers' ranking of organisational factors influencing emigration.

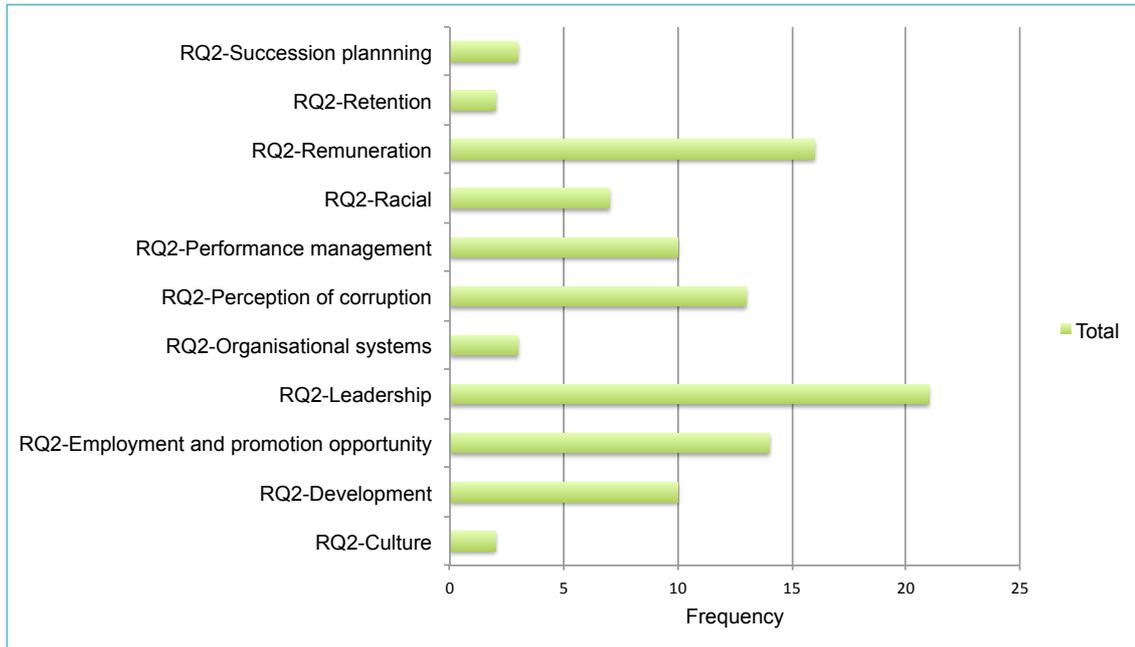
Managers		
Ranking	Factor	Frequency
1	RQ2-Racial	2
1	RQ2-Remuneration	2
1	RQ2-Retention	2
2	RQ2-Culture	1
2	RQ2-Development	1
2	RQ2-Employment and promotion opportunity	1
2	RQ2-Leadership	1
2	RQ2-Perception of corruption	1
2	RQ2-Performance management	1
3	RQ2-Organisational systems	0
3	RQ2-Succession planning	0

Combining all the results between technical professionals and managers yielded the frequency distribution given in table 35 below. This table suggests that leadership issues occupied the top spot in emigration decisions while remuneration occupied the second most important position. Engen's retention programme and the absence of succession planning occupied the least important ingredients of emigration.

**Table 35:** Total sample's ranking of organisational factors influencing emigration.

Total		
Rankings	Factor	Frequency
1	RQ2-Leadership	21
2	RQ2-Remuneration	16
3	RQ2-Employment and promotion opportunity	14
4	RQ2-Perception of corruption	13
5	RQ2-Development	10
5	RQ2-Performance management	10
6	RQ2-Racial	7
7	RQ2-Culture	3
7	RQ2-Organisational systems	3
7	RQ2-Succession planning	3
8	RQ2-Retention	2

**Figure 4:** Comparison of frequency distribution of managers and professionals on all organisational factors.



## 5.6 RESULTS IN RESPONSE TO RESEARCH QUESTION 3

### What elements of the reward model are currently in use to attract, retain and motivate employees?

Reward elements vary from one organisation to another. The aim of this question was to establish the reward model elements at Engen refinery that were key in attracting, retaining and motivating technical professionals in the organisation. In other words, the researcher intended to ascertain unique reward model instruments that were in use and how these compared with what employers and employees considered to be important in attracting, retaining and motivating them. From this comparison, the researcher would be able to establish the extent of alignment of existing reward model elements with those that were considered by employees to be very important in the decision to emigrate or stay.

#### 5.6.1 Attraction and retention

The reward elements that were of interest were those that were generally not standard across the industry. According to management, reward elements that were available at

Engen refinery and considered to be instrumental in attracting and retaining technical professionals were education assistance for professionals to further their qualifications, a retention allowance that is given to certain professionals that occupy key positions in the refinery, and in certain instances a higher than normal salary for those individuals. Other than this, there was nothing extra that was offered by Engen that could not be found in reward models of other local companies in the industry.

Even though Engen's reward model has some elements which are thought to be important for attraction and retention, technical managers concurred that the current reward model elements were not sufficient to prevent human capital flight to overseas countries. It was submitted that other companies have become much more innovative in structuring their remuneration packages to suite individual needs of their technical professionals, thus were able to attract and retain technical professionals. Technical managers felt that Engen was lagging behind in this area, hence the company's inability to hold on to talented professionals. When technical professionals were asked about their views on the reward elements in use at Engen refinery considering attraction and retention of technical professionals, they did not provide comment on the relevance and effectiveness of stated reward elements, demonstrating indifference.

**Box 41:** Selected responses from management regarding reward elements.

*"...We have an allowance that is paid over a period with certain deliverables for that individual. And in the processes there is a development element that the company invest for that individual. Like paying for MBA in this case. Then you would have people that are in mission critical positions, positions which the organization would find difficulty running without an incumbent that fulfils the roles and the responsibilities pertaining to that position. And, there you would have an allowance as well probably a more attractive package for the individual than would be the norm. Educational assistance scheme is one of the best in my view. So, that would be an attraction for the individual that they can still further their qualification as well in the organization."*

*"...It won't be sufficient, but it's only the reward elements that would not be sufficient."*

*"...Two aspects that i think play a significant role. I think the 1st one is salary and packages. I think Engen is very stale. They are not innovated in developing remuneration packages that keep a benefit above that of the other companies that we compete with in this job market."*

*“...Unfortunately I don’t see anything in the near horizon to excite me about it unfortunately.”*

Another view was that managers do not have a clear understanding of the drivers of skilled emigration in the industry resulting in random responses to the problem, as opposed to structured approaches. This was captured in the quotation below.

**Box 42:** Selected responses from management regarding interventions in skilled emigration.

*“...There is no general view at the moment as to what should really be done from an industry perspective and that is a result of the fact that there has been no actual study of what is currently happening that you can get an industry perspective that can then give you a some insight as to what is causing this. Because once you understand what is causing it you can come up with a solution. So, the intervention that are coming are company’s specific and situation specific.....but it hasn’t been something where the industry say let’s pull our resources, lets research this thing from an industry perspective and come up with recommendation.”*

**Table 36:** Frequency distribution of managers and professionals on the relevance and effectiveness of the unique reward elements on attraction and retention.

	RQ3-Attraction and retention frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	7	2	3
<b>Professionals</b>	0	0	9
<b>Quotations</b>	<b>7</b>	<b>2</b>	<b>12</b>

### 5.6.2 Remuneration

When asked whether the rewards currently offered by Engen were enough to curb skilled emigration and if they were aligned with technical professionals’ expectations, all technical professionals, but one, gave a negative response. The sentiment was that Engen’s reward elements were lagging behind and in some cases regressing, with the exception of one technical professional who expressed that the remuneration offered at Engen were sufficient.

**Box 43:** Selected responses from technical professionals regarding remuneration.

*“...At the moment, no. Even the car allowance that used to be there was discontinued. There are currently less benefits. We get normal benefits like the educational assistance program.”*

*“...There’s misalignment. Money is a motivator. But for me, there should be more than stip (short term incentive plan) because it can’t hold you. If you’re not rewarding people properly, stip cannot be a retention thing. Training is similar to most companies. It is the same. For me, I think there must be an effort to reward the people. From company A, rewarding the employees was part of the business plan.”*

*“...Am I correct in getting the impression from you that the current reward elements are meeting your needs in terms of the reward structure?..Yes.”*

For Engen to remain relevant in the industry with respect to rewards, technical professionals cited the need for customisation that would make Engen’s reward system unique. An example of how this could be done was given by a technical professional in the statement below.

**Box 44:** Selected response from a technical professional in support for innovative reward structures.

*“...The reward system should be paid out quarterly and I don’t think it’s difficult for the company to do that.”*

This sentiment was supported by one technical manager who suggested a need for innovation in the manner the company packaged its remuneration offering. With the current reward structure, the view was that Engen was not in a position to slow down the rate of skilled emigration.

**Box 45:** Selected response from a technical manager in support of innovative reward structures.

*“...I don’t think so but not because they can’t, it’s just that they don’t have an innovative approach to it. And if the other countries can have such innovative approaches in thinking, you know, should we not copy or at least copy some of it? Are we in a position to do that? I guess it is a discussion that one can go into about that but I do think there’s opportunity to make it more attractive.”*

Technical professionals expressed that their jobs in the refinery were unique and presented challenges that were not common in other divisions of the company. As a result, it was felt that remuneration should reflect the uniqueness and complexity of the job faced by technical professionals in a refinery environment.

**Box 46:** Selected response to support differing remuneration packages.

*“...Secondly, they have to look within the division and take into consideration that the refinery as a plant is different from other divisions such as marketing. So, you cannot have the same packages as there are more risks in the refinery and the salaries cannot be exactly the same.”*

Engen’s skilled emigration situation is compounded by the company’s remuneration packages that are benchmarked against a number of companies in different industries. This leads to Engen’s average packages being below the industry standard, thus exacerbating technical professionals’ desire to seek better paying opportunities elsewhere. Management agreed that indeed the company does not use industry standards as a benchmark for its remuneration packages. This contributes to misalignment between what is offered by Engen versus what is expected by technical professionals, some having experienced what is on offer outside the country.

**Box 47:** Selected responses from technical professionals on benchmarking.

*“...I think the first step is to do proper benchmarking considering the petroleum industry and not all the industries because, as it stands currently, the other petroleum industries are paying better than Engen.”*

*“...Other companies will offer travelling allowance to the destination of your country and they have a very attractive pension scheme, they offer absence allowances, their education assistance system is quite superior because your children can study at an international school or university, and the housing allowance is good as well. They also have arrangements with banks where you can get loans at a very low interest.”*

Management agreed with technical professionals in regarding benchmarking of Engen salaries with those in other industries and not in particular within the oil industry.

**Box 48:** Selected responses from management on benchmarking.

*“...They will benchmark similar roles in the market and the market is all companies. So, it’s not specific to industry. It could be 10 different types of industries that have similar roles and they are close together. They will get an average.”*

Lately, there has been an increase in the number of African technical professionals leaving Engen refinery and securing employment in other countries, and those that are considering doing the same. Some technical professionals attributed this to Engen’s poor response to employment equity requirements, career development issues and not remunerating African professionals adequately to retain them, while management did not express a view in this regard. This was substantiated by the quotations from technical professionals below.

**Box 49:** Selected responses from technical professionals on employment equity

*“...I just think that the employment equity is falling behind. I don’t think they’re trying to give opportunities to people, which they should be.”*

*“...I think they don’t pay enough, especially for a black candidates. They say they’re all interested in employment equity, but they’re really not.”*

Table 37 below gives a frequency distribution on remuneration factors and alignment with technical professionals’ expectations.

**Table 37:** Frequency distribution of managers and professionals on remuneration factors.

	RQ3-Remuneration frequency	No. of people who commented	Total no. of people in sample
<b>Managers</b>	9	2	3
<b>Professionals</b>	18	9	9
<b>Quotations</b>	<b>27</b>	<b>11</b>	<b>12</b>

**5.6.3 Conclusion**

There was general agreement that Engen’s reward elements were not aligned with the expectations of technical professionals. This was compounded by the fact that outside companies offered very attractive remuneration packages that Engen cannot match with the current remuneration structure. Professionals consider remuneration packages

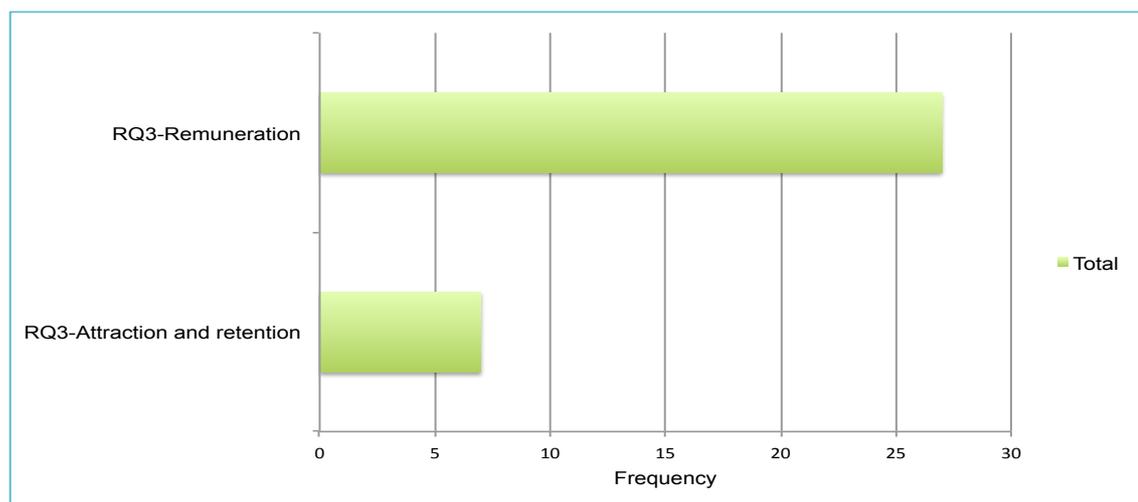
as the most important factor driving them to emigrate and that there was nothing within reward elements at Engen refinery that would slow or stop emigration. Managers also concurred that remuneration was important. Unlike professionals, managers acknowledged the presence of unique reward elements within the remuneration structure, and agreed that it was not enough to stop emigration. Both professionals and managers acknowledged the need for customisation of the remuneration structure at Engen in order to align with expectations of technical professionals.

Combining all the results between technical professionals and managers yielded the frequency distribution given in table 38 below. This table suggests that many comments were made regarding remuneration redesign. There were fewer comments made regarding the impact of existing key reward elements in relation to attraction and retention.

**Table 38:** Total sample’s ranking of reward elements influencing emigration.

Total		
Ranking	Factor	Frequency
1	RQ3-Remuneration	27
2	RQ3-Attraction and retention	7

**Figure 5:** Comparison of frequency distribution of managers and professionals on all factors.



## 5.7 SUMMARY

Chapter 5 presented results of the three research questions posed in chapter 3. The first research question explored country related factors that influenced technical

professionals to emigrate or consider emigration. Seven country factors were identified as drivers of skilled emigration of technical professionals. The second research question explored organisational factors that drove technical professionals to emigrate or consider emigration. Eleven factors were found to be drivers of skilled emigration from an organisational perspective. Research question 3 explored existing reward elements at Engen and the extent to which these were considered to be aligned with technical professionals' expectations.

The section that follows, chapter 6, is a discussion of the results presented in this chapter. This discussion is based on the literature review discussed in chapter 2 with a view to meet the objectives of the research presented in chapter 1.

## CHAPTER 6

### 6. DISCUSSION OF RESULTS

#### 6.1 INTRODUCTION

In this chapter results presented in chapter 5 are discussed in relation to the research objectives presented in chapter 1 and the research questions posed in chapter 3. The literature review discussed in chapter 2 forms the foundation of the discussion of the research findings. The research objectives, which are restated here for ease of reference, were;

- To explore the factors leading to turnover and intention-to-turnover decisions of technical professionals in the oil industry, with particular reference to out-of-country skilled migration.
- To identify and assess the levers oil companies use to respond to out-of-country migration and also appraise the extent to which these levers - that is, the reward model elements - are aligned with the migration factors.

Accordingly, the following research questions were formulated from literature in order to address the stated research objectives.

- **Research question 1**  
What are the country factors that are influencing a decision to stay or emigrate?
- **Research question 2**  
What are the organisational factors that are influencing a decision to stay or emigrate?
- **Research question 3**  
What elements of the reward model are currently in use to attract, retain and motivate employees?

The findings from the research questions are discussed and presented below in a format similar to that presented in chapter 5. It is important to understand that any two interviewees may have both common and distinct factors that they commented on. As a result, each factor that was raised during the interview is discussed by making reference to the ranking of that factor.

## 6.2 RESEARCH QUESTION 1

### **What are the country factors that are influencing a decision to stay or emigrate?**

The purpose of this question was to gain insight into respondents reasons for deciding to leave or stay in the country. These reasons could relate to political, social, environmental or economic variables.

#### **6.2.1 Discussion of research question 1**

##### *Crime and security*

Technical professionals ranked crime and security as the second most important factor that made them emigrate or consider emigration, while it featured as the fourth important consideration for managers. Some professionals expressed frustration with the apparent inability of the government to curb the increase in crime levels. This sentiment corroborates Bhorat et al.'s (2002) suggestion that a majority of South Africans were emigrating due to dissatisfaction with the rising levels of crime in the country. Furthermore, the results show that respondents' decisions to emigrate or consider emigration were resolute in cases where children were involved. Deciding to emigrate with their children potentially denies the country of future technical professionals as children of professionals were likely to become professionals themselves in their adult lives. This notion is supported by Bhorat et al. (2002) who suggested that the long term effect of professionals emigrating with their children was that the pool of prospective skilled workers for the local economy was reduced.

Professionals submitted that countries with low levels of crime were attractive as destination countries. One emigrated professional explained during the interviews how secure he felt in the country where he now works. He summarised it as follows; *"Where I'm working right now, I'm working in Saudi Arabia in a city called Yanbu. I'm able to leave my door open and sleep. I don't lock up there. I can go to the shopping centre at any time of the night, or even walk in the street at any time of the night. I can lay my hand on my heart that no one will interfere with me"*.

This was in agreement with Rasool et al. (2012) who found that low crime levels and violence were important inputs into the decision by technical professionals to emigrate in order to achieve a better quality of life for themselves and their families. Even though one technical professional pointed out that he would only consider crime as an impetus for him to emigrate in extreme situations where he personally experienced a traumatic

event related to crime, this was not a complete rejection of crime being a factor in the emigration decision. But rather, his point centred around the gravity of the crime as a driver of emigration.

### *Culture*

Only two respondents, a technical professional and a manager, commented on national culture being an input into the emigration decision. National culture was considered by professionals to be the least important factor, a ranking of seven, in the decision to emigrate. Comparatively, managers gave a fourth ranking to national culture because they observed that younger professionals were more adventurous than older professionals, leading to them emigrating so as to experience different cultures.

### *Political factors*

Rasool et al. (2012) posited that a number socio-political factors contributed to the decision to emigrate. Some of those factors cited by Rasool et al. (2012) included declining delivery of services and political instability. Fitting into Rasool et al.'s (2012) submission, respondents expressed concern regarding political unrests that have become a common feature in South African society covering, but not limited to, service delivery protests, vandalism of community and state property, unrests in tertiary institutions, leadership decline in state owned enterprises linked to interference by political executives, attacks on established public institutions like the public protector's office and the general chaos in parliamentary sessions. The concern relating to political factors is evident in the ranking allocated by professionals, a ranking of three. Amongst managers, the cited political factors were ranked fourth.

Poor governance and rising levels of corruption in government and state-owned enterprises were also some of the pressing factors that professionals highlighted as important contributors to them leaving or considering to leave South Africa. This finds support in Benedict and Ukpere (2012) who conceded that many African countries were plagued by governance issues and corruption leading to emigration of skilled professionals. Attractive countries were those that had low levels of corruption, a functional legal system and good governance.

### *Social Factors*

Both managers and professionals ranked social factors fourth as contributors to emigration. The widening gap between the rich and poor in South Africa contributes to

social strife that is currently experienced in the country, thus making professionals view emigration as an option. One interviewee summed it well when he said, *"the truth of the matter is that we have the extremely poor and the extremely rich, and then we have the middleman"*. Because rich countries attract the best brains from developing countries, denying them of the skill needed to grow their economies, the gap between the rich and poor countries continues to widen. This view is supported by Findlay and Cranston (2015) who argued that rich countries contribute to this situation by recruiting the best skills from developing countries and in the process worsen the inequalities between rich and poor countries. Davis and Hart (2010) also found that the increased divide between rich and poor countries was a result of skilled emigration from developing to developed countries.

This research also found that professionals considered themselves as being burdened with social requirements of the less fortunate people of society through increased government taxes and a social grants system that continues to grow. The existing model of social grants does not, according to professionals, improve social wellbeing of the majority of the beneficiaries. Instead, the system was creating a state dependant society that is funded through taxes derived from professionals, thus contributing to emigration decisions. Professionals that remain in the economy are able to command higher salaries resulting in increased gap between the rich and poor. Support for this view is found in Bhorat et al. (2002) who posited that emigration of professionals intensifies skills shortage in an economy, drives up wages for skilled professionals left in that economy due to demand and supply dynamics, and ultimately exacerbates social inequality in society. Horwitz (2013) also agreed that the increase in demand for skilled resources is driven by developed countries' requirement for skills.

Social benefits offered in other countries play a significant role in professionals' decisions to seek employment in those countries with a long term view regarding their lifestyle and social wellbeing. While Bhorat et al. (2002) contended that in their study emigrating professionals did not express low levels of unhappiness regarding their economic position and health care benefits in South Africa, in this research interviewees contradicted this assertion by highlighting retirement and health care benefits for themselves and their families as inputs in emigration or consideration of emigration. Awases et al. (2004) acknowledged the contribution of better social and retirement packages for skilled professionals in their decisions to emigrate, citing these conditions as favourable.

### *Education*

Technical professionals were concerned about the declining standards of education in South African public schools, which has a direct impact on the future of their children. Therefore, emigration was considered as a vehicle used by professionals to escape the declining education standards by taking advantage of education opportunities offered in destination countries. This is in agreement with the finding by Rasool et al. (2012) that over 50% of skilled workers that emigrated from South Africa cited declining education standards and concerns for their children's future as reasons for emigration. Even though the standard of education in private schools is still considered to be of high quality, this does very little to alleviate the negative sentiments around basic education. While it would have been expected that education would have ranked higher, technical professionals allocated a ranking of five. This may be due to the fact that other highly ranked factors, like remuneration, provided the means for professionals to send their children to international schools, which then lessened the need to rank education higher as a factor in emigration decisions.

Unlike technical professionals, managers were more focused on tertiary education which is a source of graduate employees, hence a third ranking. One manager expressed that even though there were issues around primary education, he was of the view that South African universities were still producing high quality graduates who competed on an equal footing with graduates from developed countries using the latest technology tools. As a result, graduates from South Africa are able to secure employment in developed countries in professions that they are trained in. Garcia and Pires (2015) noted the dangers associated with low transferability of skills where migrant graduates found themselves employed as unskilled in portfolios unrelated to their training, a concept called brain wastage. The fact that the number of South African technical professionals emigrating continues to rise (van Aswegen, 2008), as skilled candidates move overseas for better career prospects, gives confidence in the quality of higher education and suggests a high transferability of skills for local professionals. South African technical professionals are therefore able to realise good returns on investment in education, confirming the submission made by Davis and Hart (2010). Sadly, South African institutions are unable to produce a sufficient quantity of technical professionals to negate the impact of emigration on the economy. This is in agreement with Rasool and Botha (2011) who noted the concern raised in 2009 by the minister of higher education and training, Dr Blade Nzimande, that education and training would not lessen skills shortages in South Africa. South Africa continues to fund students in tertiary institutions to pursue technical professions, contradicting the

view offered by Brassington (2012) that government deprioritises investment in education if the prospects of skilled professionals emigrating are greater.

The research findings also revealed that the wave of unrests in South African institutions that is currently sweeping across the country contributes to professionals looking beyond the country to further their education. This is in line with the finding by Awases et al. (2004) that countries abroad provide better working conditions that are favourable to professionals advancing their education and training.

### *Employment Opportunity*

Research findings are that both managers and professionals who mentioned employment opportunity as a factor in their emigration decisions, concur that demand and supply of professional labour open up more opportunities in other countries. While professionals may experience fewer employment opportunities in the South African economy for whatever reason, the transferability of their skills exposes employment opportunities in other world markets driven by demand and supply. Professionals are thus able to attract higher wages for their skill which they would ordinarily have not received in South Africa. This phenomenon is aligned with the neoclassical theory of labour migration which suggests that wage differences between regions are a consequence of labour demand and supply in those regions (Porumbesco, 2015), leading to exposure of employment opportunities in those regions for people that possess the required skills. This probably provides justification for technical professionals to allocate a ranking of five to employment opportunity as they could easily find employment in other countries due to transferability of their skills, while treating employment opportunities as a given. Managers on the other hand believe that employment opportunities outside South Africa are vast, and therefore become the most important factor driving emigration of technical professionals, hence a ranking of one.

Work by Nzukuma and Bussin (2011) found that organisations were recruiting in numbers black senior managers to fulfil requirements of employment equity policies, in the process excluding non-designated employees from available employment opportunities. The research findings confirmed the view that employment equity and affirmative action laws were considered to be restrictive with regard to employment opportunity. Respondents submitted that white people, in particular white males, felt discriminated and disadvantaged by these laws thus denying them employment opportunities. This view also finds support in the submissions made by Bhorat et al.

(2002) and Rasool et al. (2012), where it was said that while white professionals felt marginalised by these policies, black professionals welcomed them. Even though these government policies favour previously disadvantaged candidates, the research findings indicate that they have been unable to reduce emigration of black professionals.

From the research, there was a perspective that younger professionals held a position that the lack of extensive work experience narrowed their possibility of being given opportunities to prove themselves by seasoned managers who preferred extensive experience above academic qualifications, and thus considered countries that valued qualifications more as destination countries. These graduates deemed emigration as vital in accelerating their careers. Support for this perspective is found in Bailey (2003) who offered that exposure to international work was an important ingredient in young professionals' decisions to emigrate.

### *Remuneration*

Governments have some level of influence in how remuneration for workers is structured through legislative means. They provide the basic remuneration framework that organisations operating in a country need to adopt.

Interviewees, both management and professionals, conceded that the remuneration packages offered in other countries, in particular the Middle Eastern countries, were much higher than those offered in South Africa for the same job. As a result, remuneration was ranked first by professionals and second by managers. Technical professionals gave examples that salaries could be as high as 3 to 4 times more than what they were earning in South Africa. With such salaries, professionals indicated that emigration becomes an option with a view to remit their earnings to family members at home. This phenomenon is appropriately captured in the new economics of labour migration theory which presents skilled migration as a mechanism that families employ to overcome economic challenges by deploying skilled family members outside the country to earn money for them (Makina, 2012).

Added to higher salaries offered abroad, host countries incentivise foreign workforce by offering lucrative tax free benefits which they use to supplement their income. In the words of an emigrated professional, *“now the cherry on top of the cake, Musa, is that if I stay there for a minimum of five years I will get a value of cash in hand of R2.4 million. Now I want to put this in perspective to the reasons to my decision to emigrate which*

*you asked me at the front end of this discussion. In my 34 years of service at Engen my provident fund value would've equated to R2.4 million. So it was a no brainer."*

To compete at this level with these countries, South Africa has to consider legislative amendments aimed at putting more money in the pockets of professionals. However, one of South Africa's challenges in this regard is that the tax base is small compared to the size of the population that is dependent on it. Therefore, providing tax breaks for professionals implies a reduction in the amount of money available to government, making it an unattractive option.

South Africa's currency decline against the American dollar in the past few years raises concerns about the economic situation of the country. Inflation is also trending closer to the 6% mark set by the reserve bank. Interviewees all agreed that these factors had a significant contribution in emigration decisions and considerations. This is aligned with Rasool et al.'s (2012) findings that high inflation negatively affected the value of savings, and that a fluctuating currency rendered professionals uncertain about the future economic position of the country. Hence, professionals took up employment in foreign countries to cushion themselves and their families against the negative impacts of these factors.

### 6.2.2 Conclusion

Table 21 below gives a summary of the total sample's ranking of country factors influencing emigration.

**Table 21:** Total sample's ranking of country factors influencing emigration.

Total Sample		
Ranking	Factor	Frequency
1	RQ1-Remuneration	22
2	RQ1-Crime and security	15
3	RQ1-Political	12
4	RQ1-Employment opportunity	11
5	RQ1-Social	9
6	RQ1-Education	7
7	RQ1-Culture	4

The top two country factors that lead to technical professionals emigrating or considering emigration are remuneration and crime and security. This provides more support for the structuralist migration theory which contends that skilled migration is driven by consideration of economic and social factors between home and host countries (Makina, 2012). This theory does not only bring in the aspect of economic health but also places emphasis on social conditions as contributory factors in emigration decisions.

From this research it was also found that national culture has the least influence on emigration decisions of professionals.

### **6.3 RESEARCH QUESTION 2**

#### **What are the organisational factors that are influencing a decision to stay or emigrate?**

This question sought to uncover reasons relating to the organisation that respondents considered as important in making the decision to stay or emigrate. Organisational factors were presented in chapter 2.

##### **6.3.1 Discussion of research question 2**

While rankings of categories by technical professionals were spread out, rankings by managers were clustered. Three categories were clustered around the first ranking, six categories were clustered around the fourth ranking, and the last two were distributed. This is seen in table 34.

##### *Culture*

From the research findings, managers concurred that the culture at Engen refinery was restrictive in that mobility of technical professionals between departments and divisions was difficult to achieve. It was believed that this contributed to professionals' frustrations and a feeling of career stagnation, leading to emigration. Accordingly, managers rated organisational culture as the fourth most important factor that contributed to emigration. Kerr-Phillips and Thomas (2009) studied talent retention in South Africa and found that organisational culture was key in attracting and retaining high performers, and that culture also facilitated their exit. Kyndt, Dochy, Michielsen and Moeyaert (2009) also included culture as one of the levers that organisations could exercise to improve employee retention.

In contrast, professionals ranked culture as the second least important emigration factor even though they expressed strong sentiments about culture's contribution to emigration. In order to understand this seemingly contradictory position of professionals, it is important to consider it in the context of the leadership dimension. To retain skilled workers, leadership in organisations need to eliminate negative associations of organisational cultures and create those that enhance personal development, fair rewards distribution, and alignment of personal and organisational goals (Kerr-Phillips & Thomas, 2009). This is aligned with Kotze and Roodt (2005) who submitted that innovative and supportive subcultures influenced employee retention. Where there is a positive perception of leadership, then a positive culture that aids retention exists. Conversely, where there is a negative perception of leadership, then the culture that exists is likely to contribute negatively to retention, meaning that culture's influence on employee retention is diminished. The finding in this research was that technical professionals had a negative view of the prevailing leadership and culture at the refinery rendering culture's ability to glue them to the organisation ineffective, resulting in poor retention. This is supported in Nzukuma and Bussin's (2011) contribution that culture is the glue that brings employees together and can also exclude them.

### *Development*

Professionals ranked technical development fifth while managers ranked it fourth. The ranking between professionals and managers is not significantly different, suggesting that both groups recognised the importance of development. However, the research finding was that technical professionals considered development to be declining at Engen refinery and therefore elected to emigrate. Emigration by technical professionals is thus a mechanism that they use to manage their own career development. In their study on job hopping by senior black managers, Nzukuma and Bussin (2011) also found that black senior managers did not trust organisations to manage their careers and thus used job hopping to expand their skills base and competencies. Conversely, the finding from this research was that managers at Engen refinery felt that development was sufficient, and that other things were at play in the emigration decision. In the words of one manager, *"I don't think it's in the development of engineers. I think there's lots of opportunities to develop in Engen. For engineers, there's all the tools you can think of."*

Coetzee et al. (2014) suggested that positive perceptions of training and development enrich normative commitment which they defined as a situation where employees may feel obligated to stay in a company because they consider it to be morally fitting to do so. This is supported by Nzukuma and Bussin (2011) who suggested that nurturing a powerful and convincing reputation for talent management by employers was necessary if they wanted to protect their long term talent resources. Therefore, the negative feelings expressed by technical professionals regarding development at Engen refinery suggest that normative commitment is unlikely to exist among them, resulting in job hopping.

While managers argued that Engen refinery's development programme was in place and functional, it was stated in the previous discussion on culture that managers tended to hold on to technical professionals and not release them to other departments or divisions. This contradicts the suggestion by Kerr-Phillips and Thomas (2009) that a well structured development programme was one that exposes professionals to all facets of the business so as to give a company competitive advantage over its competitors. On this basis, it is arguable if indeed the organisation has a well structured and functional development programme that seeks to advance the company's competitive advantage through development of skills and competencies of technical professionals, and contribute to skills retention.

#### *Employment practices and promotion opportunity*

Technical professionals and managers ranked employment practices and promotion opportunity third and fourth, respectively. For technical professionals, employment practices revolved around creating a balance between experience and qualifications in employment decisions. A combination of limited opportunities, to which managers agree, and a bias towards experience over qualifications, were found to be driving professionals to consider emigration or emigrate altogether. Coetzee et al. (2014) suggested that organisational policies and practices positively predicted employees' continuance commitment, which they defined as one that derived from costs an employee associated with leaving an organisation. Therefore, according to this theory, Engen could improve skills retention by improving on policies and practices, where qualifications were given more weight.

Younger professionals tended to be more qualified than older professionals who had more experience. However, younger professionals were the most mobile of the group and had more years of working ahead of them compared with older professionals.

Retaining younger professionals would thus ensure that the organisation had sufficient human resources capital to take it into the future.

### *Leadership*

Organisational leadership was the most important factor that professionals considered in emigration decisions. A number of leadership related factors were highlighted. Professionals felt that the leadership in the refinery did not articulate the strategic direction of the company and were secretive about it. This was unsettling as professionals needed guarantees about the future and their employment positions. According to Veldman's model, lack of clear direction contributes to organisational climate, while leadership and managerial strategy contributes significantly to job satisfaction leading to employee retention (Kotzé & Roodt, 2005).

Some professionals felt that managers were detached from real issues affecting the organisation, did not address matters of importance raised by employees, and showed lack of appreciation for contributions made. This is in agreement with the research finding in South Africa that unresolved issues raised by professionals and the level of trust that professionals had in the leadership were some of the issues affecting retention (Sutherland & Jordaan, 2004). Strong views of self-serving leadership and lack of leadership transformation were also leveled against managers. All these factors raised related to employee wellbeing. Again, this is found in Veldman's model (Kotzé & Roodt, 2005) where fair treatment, care and concern, trust and better communication were some of the components of employee wellbeing.

Managers ranked leadership issues fourth. Regarding the possibility of addressing leadership concerns, one manager was quoted as saying, "*The first thing is to acknowledge that there is a problem, and that hasn't been done now. Once that has been acknowledged, then the next step would be to put together a plan to try and address these problems.*" It is thus not surprising that technical professionals expressed negative sentiments about Engen refinery's leadership because there was no acknowledgement of the existence of these issues in the organisation and a clear direction on how they could be addressed.

### *Organisational systems*

Organisational systems are instruments that organisations use to run the business. There was no comment from managers regarding organisational systems as influencing factors in the emigration decisions of professionals, hence the least ranking

was allocated. Even though professionals highlighted organisational systems as a factor, they featured amongst the lowest ranked factors, a ranking of eight. Professionals' concerns revolved around systems being bypassed to suit certain situations. These issues are linked to leadership concerns which have already been dealt with extensively.

#### *Perception of corruption*

The perception of corruption at Engen refinery, as expressed by technical professionals, encompassed favouritism and nepotism. Both professionals and managers ranked perception of corruption fourth.

Professionals submitted that in a number of instances workers' competencies were not given sufficient weighting in promotion decisions. Rather, other factors relating to the extent to which an individual had a favourable personal relationship with a powerful manager or group of managers were amplified to ensure promotion. This finding finds support in research done by Nzukuma and Bussin (2011) where they found that management in South Africa was structured such that there were in-groups which were perceived positively by management and out-groups which were negatively perceived. One manager acknowledged this practice as a problem in the refinery when he said, *"It's a function of competencies in an added environment. If you're preferential in approach, you're likely to miss the competency part of it and you end up progressing those employees that you favour the most while the rest get frustrated and stagnant."* These practices in the workplace were also acknowledged by Kerr-Phillips and Thomas (2009) who mentioned old boys networks as problematic for organisations where these practices did not reward high performance but rather rewarded people according to their inclusion into the inner-circle networks that existed in organisations. Excluded professionals in the organisation then emigrated or considered emigration as an alternative, where they would be rewarded according to their qualifications and performance on the job.

Compounding the inner-circle problem at Engen refinery, professionals highlighted that due to poor application of employment practices as previously discussed, a number of family members of employees have been hired at the refinery with little or no regard for qualifications. Consequently, it becomes difficult to deal effectively with matters such as employee discipline where family relations are concerned.

### *Performance management*

Technical professionals ranked performance management fifth while managers ranked it fourth. One important input into the emigration decision considered by professionals was the manner in which performance management was conducted at Engen refinery. At issue was how performance management was implemented, whether the performance rating given to technical professionals reflected actual performance and whether rewards were issued proportionally. Managers agreed with the view that a good performance score did not necessarily translate into a proportional bonus and salary increase, attributing that to bureaucratic practices. Performance is meaningful if it is commensurate with pay or rewards (Schlechter et al., 2014). The findings of the research suggest that professionals consider performance management at Engen as a meaningless process that does not contribute to their financial wellbeing, thus agreeing with the assertion made by Schlechter et al. (2014).

Further support for a performance management system that is linked to rewards is found in Sutherland and Jordaan (2004). They found that receiving an upsetting performance review contributed very little to retention, while being recognised through incentives, bonuses or variable pay contributed significantly to retention (Sutherland & Jordaan, 2004).

### *Racial biasness*

An interesting outcome of the research with regard to race was that technical professionals ranked racial influence on emigration fifth, while managers ranked it amongst the most important factor driving skilled emigration. Professionals held a position that they should be paid according to their qualifications and experience, irrespective of race. This research shows that employment equity practices at Engen refinery, however, have not reduced the rate at which black professionals are also leaving the country. This is supported by Rasool and Botha (2011) who indicated that demographics of skilled professionals emigrating encompassed all racial groups. All else being equal, it stands to reason that Engen should be experiencing less attrition of black professionals. However, that is not the case. Black professionals cited abuse of organisational systems to benefit one race over another as contributory factors to emigration decisions.

Managers' concern regarding racial biasness is expressed in the one ranking that was allocated to it. It is generally accepted that technical skills are concentrated among the white population of South Africa due to discriminatory access to education that

favoured white people, then perpetrated by the apartheid government. It is therefore not surprising that implementation of employment equity lead to a larger population of white professionals emigrating or considering emigration, causing deep skills concern for organisations, Engen in this case. Rasool et al. (2012) agreed with this view when they stated that there was an increase in skilled emigration involving largely skilled white people after 1994.

### *Remuneration*

Managers and professionals ranked remuneration first and second, respectively. Managers and professionals alike concurred that remuneration offered in destination countries like America, Europe and Australia was more attractive than that received by professionals in South Africa, agreeing with Bailey (2003).

While it was accepted that remuneration was one driver of skilled emigration, technical professionals added the fairness dimension to this argument. They claimed that in other cases professionals were remunerated unfairly, linking that to the preferential practices that were discussed previously. Fair distribution of rewards is one element that Kerr-Phillips and Thomas (2009) mentioned as an input to retention of skilled workers.

It was also found from this research that technical professionals were concerned about the impact of inflation on the value of their remuneration. Hence, innovative ways to structure remuneration packages to suit individual needs of technical professionals could go a long way to address these concerns. This is in agreement with Schlechter et al. (2014) who suggested that organisations that are able to offer different levels of remuneration were likely to differentiate themselves from competitors and thus attract skilled professionals who prefer individualised remuneration.

### *Retention and succession planning*

Managers ranked poor retention efforts as one of the top contributory factors to emigration of technical professionals. However, succession planning was the least ranked factor. What this suggests is that managers were keen to retain professionals but had no plan for succession. This probably explains why technical professionals were concerned about training and development, and therefore emigrated to places where they could access training and develop in their careers. Managers presenting emigration of professionals as an industry wide problem, downplays the impact of

losing professionals in the company. This gave rise to a perception of less investment in retention efforts by Engen refinery.

Professionals made no comments regarding Engen's retention efforts thus ranked retention last. However, they ranked succession planning eighth, a low ranking out of eleven. What this suggests is that professionals considered succession planning as an ingredient to retention, meaning that retention was likely to follow if succession planning was in place at the refinery, other factors notwithstanding.

### 6.3.2 Conclusion

Table 35 below gives a summary of the total sample's ranking of organisational factors influencing emigration.

**Table 35:** Total sample's ranking of organisational factors influencing emigration.

Total Sample		
Rankings	Factor	Frequency
1	RQ2-Leadership	21
2	RQ2-Remuneration	16
3	RQ2-Employment and promotion opportunity	14
4	RQ2-Perception of corruption	13
5	RQ2-Development	10
5	RQ2-Performance management	10
6	RQ2-Racial	7
7	RQ2-Culture	3
7	RQ2-Organisational systems	3
7	RQ2-Succession planning	3
8	RQ2-Retention	2

The top two organisational factors that significantly contribute to technical professionals electing to emigrate or consider emigration are leadership and remuneration. Of importance is the quality of leadership and how that leadership is exercised. Poor leadership leads to emigration.

Remuneration offered outside South Africa is so significant that technical professionals considered their wellbeing and those around them when evaluating emigration

benefits. Professionals displayed a long term view of financial health by relating what they currently earned to what they would be earning in the future, and how that would impact their lives.

Succession planning and retention were the least considered factors at Engen refinery when it came to making decisions about emigration. From the research findings, it was clear that the lack of succession planning contributed to poor retention at Engen refinery. Professionals therefore sought opportunities in countries where training and development was given priority as this enhanced their careers and marketability, leading to better remuneration.

## 6.4 RESEARCH QUESTION 3

### **What elements of the reward model are currently in use to attract, retain and motivate employees?**

Reward elements vary from one organisation to another. The aim of this question was to establish which reward model elements were key in attracting, retaining and motivating technical professionals in the organisation. In other words, the researcher wished to ascertain unique reward model instruments that were in use, and not necessarily cover all reward elements, and how these compared with what employers and employees considered to be important in attracting, retaining and motivating. From this comparison, the researcher would be able to ascertain the extent of alignment of existing reward model elements with those that were considered by employees to be very important in the decision to emigrate or stay.

#### **6.4.1 Discussion of research question 3**

##### *Attraction and retention*

During the interviews, management submitted that key reward elements that were used as levers to attract and retain were,

- Education assistance offered to employees to advance their professional qualifications.
- Retention allowance offered to a selected group of professionals that were deemed to be occupying mission critical positions.
- Higher salaries for technical professionals above the average obtained from the company's salary benchmarking exercise.

All other benefits were considered to be standard across the industry.

The rewards elements above that management offered as important in attracting and retaining technical professionals are both monetary and non-monetary, fitting into Bussin and Van Rooy's (2014) account of monetary elements being salary, allowances and bonuses, and non-monetary elements being anything above monetary rewards that an employee receives from an organisation, with non-monetary elements forming a psychological contract between employee and the organisation. Even though management singled out these reward elements as key to technical skills attraction and retention, technical professionals did not consider these elements as important contributory factors to their attraction and retention.

Two issues arise for the organisation with respect to technical skills attraction and retention. First, management does not believe that these reward elements are sufficient to keep technical professionals from emigrating, even though they were submitted as key elements. Second, managers do not know the drivers of skilled emigration, but rather believe that skilled emigration is an industry-wide problem. Consequently, management missed an opportunity to understand drivers of skilled emigration and then provide rewards that are aimed at addressing those drivers. By management's admission, Engen's rewards are stale, and therefore it is expected that the organisation will continue to experience loss of technical professionals unabated. Substantiating these points, one manager was quoted as saying, *"Two aspects that I think play a significant role. I think the 1st one is salary and packages. I think Engen is very stale."* While another manager had this to say about the possibility of improving on the reward elements, *"I don't see anything in the near horizon to excite me about it, unfortunately."* Therefore, it is reasonable to conclude that Engen refinery's reward elements are not sufficient to curb skilled emigration.

### *Remuneration*

Even though outside companies offer better remuneration packages, Engen's remuneration packages require innovation. While there are factors in remuneration, like tax relief, that are outside the control of the organisation, there is a need to customise remuneration packages to suit the modern requirements of technical professionals if Engen is to slow down the rate of skilled emigration. This was echoed by Schlecter et al. (2014) when they offered that organisations that are able to provide different remuneration levels for workers stand a chance of differentiating themselves from

competitors, and thus attract skilled professionals who prefer customised remuneration packages addressing their needs.

By benchmarking across multiple industries, as opposed to the oil industry, Engen's average salaries were lower than those offered in the local industry, not to mention the salaries offered by companies outside South Africa. Professionals who took employment outside the country thus realised significant changes to their remuneration packages, making emigration an attractive prospect.

### *Alignment*

From the research findings, both managers and technical professionals agreed that there is lack of alignment between the reward elements at Engen and the expectations of technical professionals, if skilled emigration was to be mitigated. Technical professionals are attracted to overseas companies by the lucrative benefits offered which are much better than those offered by Engen. Technical professionals expect Engen to benchmark salaries within the oil industry and not generally, resulting in feelings of being undervalued, hence emigration. There is also an expectation from technical professionals that rewards should be customised to meet individual needs, something which has not been done at Engen refinery. As an example, one technical professional suggested that overseas companies offered money to purchase a medical aid package that met their needs, as long as they were adequately covered, whereas Engen offered a standard medical aid package that was compulsory for employees.

### **6.4.2 Conclusion**

Table 38 below gives a summary of the total sample's ranking of reward elements and alignment with factors influencing emigration.

**Table 38:** Total sample's ranking of reward elements influencing emigration.

Professionals		
Ranking	Factor	Frequency
1	RQ3-Remuneration	27
2	RQ3-Attraction and retention	7

From the research, it was found that the current reward elements offered at Engen refinery as instruments to attract and retain technical professionals are not sufficient to curb skilled emigration. Furthermore, the remuneration packages that technical

professionals receive at Engen lack innovation and are a far cry from those offered by overseas companies. It can be seen from the frequency distribution that there was more emphasis on remuneration being the driver of skilled emigration. The intensity of alignment of the reward elements provided at Engen is low and will not curtail skilled emigration. Both managers and technical professionals attest to this observation.

## **6.5 SUMMARY**

This chapter discussed in detail the results presented in chapter 5 for each research question posed in chapter 3. The following key points were made for each research question: First, with regard to research question 1, differences in social and economic conditions between South Africa and destination countries drive emigration of technical professionals at Engen refinery. Crime, security and remuneration were considered by technical professionals to be very important in their decisions to emigration. Second, concerning research question 2, leadership quality and how that leadership was effected at Engen refinery, plus remuneration offered by overseas organisations were drivers of technical skilled emigration. It was found that these contributed to the wellbeing of technical professionals. Lack of succession planning and retention were weak drivers of technical skills emigration. Last but not least, the discussion on research question 3 indicates that reward elements offered at Engen are not strong enough to curtail rapid loss of technical skill to overseas countries. Moreover, what is currently offered as unique reward elements by the organisation, aimed at curbing skilled emigration, are not viewed by technical professionals as unique or important. There is also a clear misalignment between the expectations of technical professionals regarding rewards and the current remuneration structure and practices at Engen refinery.

The next chapter provides a conclusion to the research by linking it to the objectives of of the research presented in chapter 1, thus completing the research circle.

## CHAPTER 7

### 7. CONCLUSION

#### 7.1 INTRODUCTION

The preceding section discussed the results presented in chapter 5 on the basis of the literature review presented in chapter 2 to answer the research questions posed in chapter 3, by employing the research methodology discussed in chapter 4.

Accordingly, this chapter seeks to consolidate the findings of the research, provide insight into implications for management regarding skilled emigration and offer recommendations for future research.

#### 7.2 RESEARCH BACKGROUND AND OBJECTIVES

For a country to be competitive, realise increased economic growth and a general elevation of social standards, it needs to have a highly skilled workforce. In South Africa, poor leadership and management of state owned institutions is attributed to lack of skilled resources in those institutions (Ensor, 2014). Skills shortage leads to a high demand for desired skills, thus placing a premium on available skilled resources. While other developing countries, like China, have grown their talent pool in response to skills shortage, South Africa has not been as successful as these countries (Horwitz, 2013). Private sector companies also expressed grave concern regarding skills shortage in South Africa, pointing out its negative impact on economic growth, social programmes and organisations' ability to compete (Tshilongamulenzhe, 2012). In particular, human resources managers in the oil industry report an increase in the number of technical professionals emigrating to oil producing countries in search of better work opportunities, higher social standards and a conducive political climate.

This research intended to qualitatively explore country and organisational factors that were contributing to emigration of human resources with technical skills in the oil industry in South Africa by using a case study research approach on Engen refinery. Added to this, the researcher intended to gain insight into Engen's unique reward elements that were considered to be instrumental in curbing technical skills flight at the refinery, and ascertain the effectiveness and alignment of these elements with the drivers of technical skills emigration. The principal findings from this research are presented below.

### **7.3 PRINCIPAL FINDINGS**

The findings of the research indicate that emigration of skilled technical professionals is influenced by both country and organisational factors, and that some of the factors are common to both the country and organisation. Key findings are discussed below.

#### **7.3.1 Country related factors**

First, this research has confirmed that differences in remuneration between South Africa and destination countries is the most important contributor to skilled emigration of technical professionals at Engen refinery. Governments of destination countries provide incentives to foreign professionals that attract them to seek employment in their economies. These incentives, like tax breaks on benefits of foreign technical professionals and lower interest rates, are purely influenced by the governments of destination countries, unlike in South Africa where all benefits are taxed. The taxing of benefits in South Africa is partly due to the heavy social burden that is faced by the country with a shrinking tax base. Consequently, government continues to increase the amount of tax contributions required from individuals, thus reducing the disposable income that individuals have left. Emigration to foreign countries becomes an attractive option for technical professionals.

Second, technical professionals consider crime and security as significant contributory factors in technical skilled emigration in South Africa, especially in situations where families have children. Lower levels of crime and better social systems, like public health care and basic education, thus add to the attractiveness of host countries as technical professionals do not need to spend money on items like security and high interest rate repayments, thus putting more money into their pockets. Politically stable economies attract technical professionals due the positive impact this has on their remuneration.

Third, the quality of technical training in South Africa is of a high standard. This insight is drawn from the fact that South African technical professionals are able to secure employment in host countries in their fields of training, suggesting a high level of transferability of their skills. Also, the success of technical professionals who have emigrated entices technical professionals left behind to follow suit as well. Even though South Africa is experiencing increased emigration, the government continues to increase its investment in education (Gërmenji & Milo, 2011), contradicting the school

of thought put forward by Brassington (2012) that suggests government deprioritises investment in education if a country experiences increased emigration.

Fourth, while South Africa's transformation laws like employment equity, black economic empowerment and others have good intentions in trying to redress social and political atrocities of the apartheid government, they have led to two unintended consequences regarding emigration of skilled technical professionals. One, technical skills are concentrated within the white minority population of South Africa. These laws, by their discriminatory nature, force white professionals to sell their skills outside the country even if that was not their preferred option. As a consequence of this, transfer of skills to designated individuals, which is highly desirable in the South African economy, is hampered. Two, the observed return on education and skill enjoyed by emigrated professionals entices designated technical professionals, who would ordinarily occupy positions favoured by equity laws, to emigrate or consider emigration. This growing trend provides indications that equity laws are slowly becoming ineffective in technical skills retention, that is, chasing whites and not attracting blacks. This dampens the desired outcome intended by equity laws and widens the technical skill void, resulting in the skills shortage outcry expressed in earlier chapters.

Last, national culture has no bearing on the decision by technical professionals to emigrate. Accordingly, technical professionals consider host countries with varied national cultures for employment opportunities. For professionals, technical qualifications and skills become the ticket into any nation that values investment in education, irrespective of national culture.

### **7.3.2 Organisation related factors**

From an organisational perspective the key finding from this research is that the quality of leadership and the exercising of that leadership is very important to technical professionals. It is the most influential factor in technical professionals' decision to emigrate. Technical professionals require a clear direction for the future. Organisations that are able to articulate a clear future direction become attractive to technical professionals. Technical professionals at Engen refinery do not trust the current leadership with their careers and therefore change jobs to enrich their skills and competencies, agreeing with findings from research done by Nzukuma and Bussin (2011).

Leadership sets the foundation for the culture that they want to cultivate in an organisation. Therefore, extant culture is a function of the leadership character of an organisation. The insight extracted from this research is that leadership that is negatively perceived has associated with it negative elements of culture. In this research, negative elements of culture related to hogging of employees within departments and divisions, strong in-group and out-group networks, poor employment practices and performance management, and favouritism.

While remuneration was the most important country factor in emigration decisions, it was second to leadership from an organisational perspective. This suggests that for technical professionals, even if the money is good, bad leadership will significantly contribute to them emigrating or considering emigration. The organisation is likely to retain its technical professionals if innovative remuneration is founded on good leadership practices.

The distance between manager and subordinate that existed in olden days is no longer relevant in today's corporate environment which is characterised by high mobility of professionals. Today's employees require constant engagement with leaders of organisations which is key in drawing out and responding to employee concerns in the workplace. Skilled emigration of technical professionals at Engen refinery is also influenced by the organisation's non-responsiveness to employee concerns relating to transformation, leadership issues, communication, and general employee wellbeing.

### **7.3.3 Unique reward elements and alignment**

The reward elements submitted by management as key in attracting and retaining technical professionals are not considered important by technical professionals in the emigration decision. Engen's reward elements lack innovation and therefore do not match rewards offered by overseas countries. Furthermore, technical professionals and management alike admit to staleness of Engen's rewards.

Benchmarking of Engen's rewards against companies in the engineering industry, and not specifically against companies in the petrochemical industry, results in Engen's average remuneration being lower than that offered by other oil companies in South Africa. It stands to reason, therefore, that overseas packages are by far higher than those offered by Engen, resulting in the organisation's inability to halt or slow down skilled emigration of technical professionals.

Therefore, it is concluded that there is weak alignment of Engen's reward elements with drivers of skilled emigration. If Engen is to limit skilled emigration, the organisation needs to change its remuneration structure in line with industry practices and also identify areas of distinction in the rewards that will make them responsive to technical professionals needs.

#### **7.4 IMPLICATIONS FOR MANAGEMENT**

The findings from this research point to a number of things that management need to take into account in dealing with the threat of technical skilled emigration. First, management needs to have a good grasp of country factors that are driving technical skilled emigration. This allows them to develop an understanding of external factors that are beyond their control so as to not expend energy in designing employee retention packages that will not have an impact on retention, thus focusing only on those factors within their control.

Second, management needs to appreciate more the effect of employment equity laws, not only from a view of white skilled emigration, but also recognise that qualified black people are also looking beyond South Africa for employment opportunities which provide better returns on education investment. As a result, understanding the needs of technical professionals and coming up with innovative remuneration packages within the laws of the country is no longer an option but a necessity, if the organisation is to make an impression on skilled emigration.

Third, leadership within the organisation forms the foundation on which other aspects of organisational health are built. Leadership needs to realise that honesty, transparency and integrity are key ingredients required by technical professionals to build trust in the organisation. Lack of these elements, breeds a culture that does not foster organisational cohesion, leading to feelings of exclusion and ultimately emigration.

Fourth, the fact that technical professionals from Engen are able to secure employment in other countries in similar or higher positions than the ones they occupy at Engen, should send a strong signal to management that the battle for technical talent will only intensify due to skills transferability, and only organisations that are able to package

valuable employee propositions will benefit the most, which is likely to lead to organisational death for those that cannot effectively compete for talent.

## **7.5 RESEARCH LIMITATIONS**

The following research limitations were identified by the researcher:

- The study was a case research confined to Engen refinery. It did not extend to other divisions of the organisation to capture perceptions of technical professionals in relation to the research objectives. More information would have been obtained to formulate a general organisational view of the drivers of skilled emigration within the organisation. Also, the research did not cover all oil companies in South Africa, thus losing out on diversity of data.
- This study was a cross-sectional study which provides information at a point in time under conditions related to that time. A longitudinal study would give a view of how the perceptions of the research respondents change over time with regard to the drivers of skilled emigration.
- In selecting the sample, purposive sampling was used. As such, the findings from this research cannot be extended to the entire population. That is, the findings cannot be generalised to cover all technical professionals in the oil industry in South Africa.
- Another likely limitation of the study is that respondents that were interviewed were those that had expressed a desire to emigrate. Those that were considering emigration but had not expressed such an intention were excluded from the research. Also, those that had volunteered to participate in the study may have either withheld information or exaggerated their contribution, something which cannot be captured by an exploratory study. Furthermore, they may have recommended candidates who share similar views as them, leading to biased results.
- Managers were unwilling to provide in-depth insights regarding specific company retention strategies for fear of divulging sensitive information pertaining to employees.

## **7.6 SUGGESTIONS FOR FUTURE RESEARCH**

The research has limitations that have been identified in the section above. The following suggestions for future research are made:

- A quantitative study would provide broader insights into what influences South African technical professionals to emigrate, both from a country and organisational perspective.
- The study was confined to technical professionals in the oil industry. It would be of interest to conduct a similar study among other professional disciplines within the oil industry in order to make a comparison among them.
- It would be beneficial to repeat this research over a time series so as to gain insight into how professionals' views change with time, and what key factors contribute to that change. This would help organisations in adapting their employee attraction and retention strategies.

## **7.7 SUMMARY**

In summary, remuneration, leadership, crime and security are key country and organisational factors that have a significant impact on skilled emigration. In order to slow down skilled emigration, government needs to recognise this as a problem for development and economic growth. South Africa should create an environment that is attractive to technical professionals to limit human capital flight. Organisations can also help by designing remuneration packages that are customised for technical professionals if organisations are to be competitive.

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## 9. APPENDICES

### 9.1 APPENDIX 1: GUIDELINES

#### 9.1.1 Appendix a: Interview consent letter

#### INTERVIEW CONSENT LETTER

Dear Participant

I am conducting research on skilled migration of technical professionals from South Africa to other countries in search of better opportunities for their career and family. In particular, the research focuses on technical professionals in the oil industry with a view to uncover or explore the factors driving skilled migration of this class of professionals.

The researcher has selected you as a relevant person to provide the necessary insight the researcher wishes to uncover. Our interview is expected to last approximately an hour. Please note that **YOUR PARTICIPATION IN THIS PROCESS IS STRICTLY VOLUNTARY AND YOU CAN WITHDRAW AT ANY TIME WITHOUT CONSEQUENCE**. All data collected through this research process will be kept confidential. If you have any concerns regarding your participation in this research, you are welcome to contact my supervisor, Dr Mark Bussin or me. Our contact details are given below.

Research Supervisor's Name: Dr Mark Bussin  
Research Supervisor's Email: [drbussin@mweb.co.za](mailto:drbussin@mweb.co.za)  
Research Supervisor's Phone: 082 901 0055

Researcher's Name: Musa Comfort Ndwandwe  
Researcher's Email: [musandwandwe.mn@gmail.com](mailto:musandwandwe.mn@gmail.com)  
Researcher's Phone: 082 873 3960

Signature of participant: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_

Date: \_\_\_\_\_

## 9.1.2 Appendix b: Interview guideline

### INTERVIEW GUIDELINE

#### Personal details questions

1. What is your profession and qualification(s)?
2. For how long have you been in this profession?
3. For how long have you been employed by Engen Petroleum?
4. Could you please tell me of the positions you have held as a professional at and outside of Engen, including the duration of each?
5. Note age, gender, race

#### Research question 1

What are the country factors that are influencing a decision to stay or emigrate?

- 1 Have you ever considered leaving South Africa for employment in another country?
- 2 If yes, did you consider leaving temporarily or permanently? Alone or with your family? What is your immediate family structure? Will there be family left behind?
- 3 In considering emigrating, have you been influenced by country specific factors, like socio-political dynamics?
- 4 If yes, could you please expand on these (i.e. your view on how they contributed to your decision) and how you ultimately considered them as having a direct impact on you and your family?
- 5 In your consideration, which country did you find to be suitable for your need?
- 6 What were the socio-political factors that you considered in that country to deem it the desired destination country? That is, for you and your family.
- 7 Did you do a thorough investigation of employment prospects in the destination country in comparison with South Africa?
- 8 What do you consider will contribute to you and your family coping with adjusting in the destination country, i.e. is there something like family, friends or a professional grouping that will assist with your adjustment?
- 9 Is there anything else that you would like to add about the source or destination country that is contributing to your decision?

## Research question 2

What are the organisational factors that are influencing a decision to stay or emigrate?

- 1 What is your personal view of Engen as an employer, with particular reference to the refinery?
- 2 Given your view of Engen, are you considering staying or leaving the company?
- 3 What are the organisational factors that make you arrive at your decision?
- 4 Do you have any personal factors that you have considered in making your decision that are independent of the organisation?
- 5 To what extent are your personal factors influenced by organisational factors?
- 6 If the organisational factors met your personal needs, would that change your decision to stay or leave?
- 7 What incentives does the destination company that influenced your decision offer i.e. what is it that is attractive about the destination company?
- 8 Is there anything else that you would like to share with me regarding your destination company that adds to your decision making process?

## Research question 3

What elements of the reward model are currently in use to attract, retain and motivate employees?

- 1 The organisation has an established remuneration structure. What aspects of the remuneration structure do you consider to be key in attracting, retaining and motivating you/employees, with reference to technical employees?
- 2 With regard to employees staying or leaving the organisation, what do you think the reasons are in making that decision?
- 3 For the purposes of clarity, what is the basis of your assertion or thoughts in question 2, i.e. did you talk to those employees making decisions or did you use some formal information gathering process existing in the organisation?
- 4 What do you think the alignment is between what the organisation offers and what the employees(you) say they (you) are staying or leaving for?
- 5 Is there anything that you could do within the organisation to influence the employees' decision to stay or leave?



### 9.1.3 Appendix c: Company permission letter

With us you are Number One |  **ENGEN**

**Engen Petroleum Limited**  
Engen Refinery, 465 Tara Road, Wentworth, Durban, 4000  
PO Box 956, Durban, 4000  
Republic of South Africa  
Reg. No. 1989/003754/06  
Tel: +27 (0)31 460 3911 Fax: +27 (0)31 460 3000  
www.engenoil.com

To whom it may concern

Re: Permission to interview Engen personnel

Musa Comfort Ndwandwe, student number 15406581, is a final year MBA student at the Gordon Institute of Business Science, University of Pretoria. He has been granted permission by Engen Petroleum to select and interview Engen personnel in relation to his final year thesis titled

**Exploring skilled migration in the South African oil industry: a case study of Engen Petroleum.**

All data collected through this process will be kept confidential in line with the University of Pretoria's confidentiality protocol.

Yours Sincerely

  
Thabani Zondi  
Refinery Human Resources Manager

Date: 02/06/2016

 A PETRONAS subsidiary company

Directors: MFM Adnan\* (Chief Executive Officer/Managing Director) MA Adams AM Bryce MH Daud\*  
FFN Gumede (Director / Company Secretary) FJ Kotze BJ Mahlo KS Moroke-Mosese I Reddy  
T Sulaiman-Bray J Zaib\* VV Zondani \*(Malaysian)

#### **9.1.4 Appendix d: Ethical clearance letter**

Dear Mr Musa Ndwandwe

Protocol Number: **Temp2016-00978**

Title: **Exploring skilled migration in the South African oil industry: a case study of Engen Petroleum**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

## **9.2 APPENDIX 2: DATA COLLECTION AND PROCESSING**

Data was collected using semi-structured interviews, recorded, transcribed and analysed using AtlasTi software and excel, which allowed the researcher to manipulate the data in several ways. An inductive approach to data analysis, where a researcher uses the data to formulate general conclusions or theory about a phenomenon, was used for this research. The research questions formulated in chapter 3 were informed by the literature review presented in chapter 2.

The researcher then conducted semi-structured interviews which were exploratory in approach. These interviews were recorded by the researcher with the permission of respondents, including taking notes and making observations. The intention was to explore the perceptions of respondents regarding emigration of technical professionals by using the research questions in chapter 3 as an instrument, and whether the findings would lead to some general conclusions about the observations made. The general conclusions made were compared with the theoretical content of chapter 2 for confirmation or dispute of the theory on skilled migration.

Responses to the questions were coded inductively and grouped into categories that the researcher deemed to be representative of the collective ideas of the different respondents for each research question. Code saturation was used to ultimately arrive at the final number of codes generated. Direct quotations from the interviews were utilised by the researcher to give credence to key points in the research. A table of the number of respondents that commented on a category and the frequency or number of times people referred to a particular theme is given in each section. At the end of each research question a frequency summary graph is provided to represent a view of the ranking of the factors discussed under each research question.

### 9.3 APPENDIX 3: CONSISTENCY MATRIX

**Title:** Exploring skilled migration of technical professionals in the oil industry – a case study of Engen Petroleum

RESEARCH QUESTIONS	LITERATURE REVIEW	INTERVIEW QUESTIONS	DATA ANALYSIS
<b>Research question 1</b> What are the country factors that are influencing a decision to stay or emigrate?	Agbiboa (2012), Garcia-rodriguez et al. (2015), Rasool et al. (2012), Bailey (2003), Nzukuma & Bussin (2011), Benedict & Ukpere (2012), Bhorat et al. (2002), Awases et al. (2004), Kalipeni et al. (2012), Iravani (2011)	1, 2, 3, 4, 5, 6, 7, 8, 9	Frequency counts and analysis of content
<b>Research question 2</b> What are the organisational factors that are influencing a decision to stay or emigrate?	Nzukuma & Bussin (2011), Rasool et al. (2012), Schlecter et al. (2014), Shah (2011), Kerr-Phillips & Thomas (2009), Sutherland & Jordaan (2004), Kyndt et al. (2009), Horwitz (2013), Coetzee et al. (2014)	1, 2, 3, 4, 5, 6, 7, 8	Frequency counts and analysis of content
<b>Research question 3</b> What elements of the reward model are currently in use to attract, retain and motivate employees?	Rumpel & Medcof (2006), Bussin & Van Rooy (2014), Schlecter et al. (2014), Sutherland & Jordaan (2004)	1, 2, 3, 4, 5	Frequency counts and analysis of content