Organisational Climate and Intent to Leave among Recruitment Consultants in Johannesburg, South Africa

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ABSTRACT The aim of this study was to investigate the relationship between organisational climate and intent to leave among recruitment consultants. The sample comprised of recruitment consultants from a multinational human resource consulting company in Johannesburg. A total of 52 recruitment consultants participated in the study. The variables investigated were organisational climate and intent to leave. The psychological well-being of recruitment consultants was assessed using the organisational climate scale and the turnover intention scale. Data were analysed using Pearson’s product moment correlation to establish the relationship between organisational climate and recruitment consultants’ intention to quit. A bad working environment was associated with the intention to leave the organisation. In view of the findings of this study, future studies could focus on improving organisational climate and reducing intent to leave among recruitment consultants. The studies could assess the working conditions and their effect on actual turnover among recruitment consultants in post-apartheid South Africa.

INTRODUCTION

South Africa is an emerging economy with a huge demand on human resource placement companies (Arora and Vamvakidis 2010). Recruitment companies need to satisfy the human resource requirements of new, old and international clients. New businesses are formed due to favourable laws that seek to empower Blacks and other previously marginalised groups in South Africa. Large firms have to compete with small to medium enterprises and they are also expected to offer mentorship programmes to emerging entrepreneurs in human resource consulting in accordance with labour laws on skills development mentorship (van Vuuren and Botha 2010). The job of a recruitment consultant could be demanding because they work on strict deadlines to achieve set targets. This comes with a high workload in some instances. Recruitment consultants in South Africa have to maintain customer satisfaction in this highly competitive industry. In addition to the demanding nature of the job, salaries of recruitment consultants are based on commission. As a result, the job characteristics could have a negative impact on the psychological wellbeing of the recruitment consultant (Lindeberg et al. 2011). The company’s organisational climate could contribute to turnover intention among employees. Managers have to constantly supervise the work of recruitment consultants as a quality management measure. Recruitment consultants could work under pressure in their endeavour to meet the employer organisations’ deadlines, get the best applicant suited to the job, and placement targets set by management (Muntaner et al. 2011).

The Growth, Employment and Redistribution (GEAR) policy formulated by the South African Government in June 1996 aims at having an economic growth of 6% real GDP per annum (Arora and Vamvakidis 2010). This policy seeks to create employment and the promotion of employee welfare in general (Bhorat et al. 2010). South Africa’s economy is growing fast although it is exposed to the fluctuating global markets (Arora and Vamvakidis 2010). Economic growth and unpredictable business trends could have a strain on recruitment consultants in their bid to meet the employers’ needs in as short a time as possible. In South Africa, many companies rely on recruitment agencies for the supply of labour. Recruitment companies are involved with the placement of professional, casual and contract employees.

Due to globalisation of the workplace, South Africa is losing a lot of skilled employees, particularly engineers, artisans, nurses and doctors.
to overseas countries such as Britain, Australia, New Zealand and Canada (Solimano 2008; Don Wauchope et al. 2010). The gap created by this brain drain is supposed to be filled quickly by recruitment companies. Recruitment consultants assigned with such as task could use the print and electronic media, headhunting, and other faster methods of attracting labour from within and outside South Africa. Failure to supply such scarce labour to companies within specified times could result in the recruitment consultant losing a client to a competitor. The growth and stability in the economy has seen the mushrooming of indigenous recruitment agencies thus inducing competition in the recruitment industry in South Africa (Moore 2010). In order for a recruitment agency to survive in this competitive industry, recruitment consultants could be expected to work harder. Reputation in the recruitment industry grows the business and it is earned through successful placements (Brown 2010). The organisational climate of the recruitment consultant could influence their ability to perform and an adverse organisational climate could result in turnover intention (Bamberger et al. 2008). Averse recruitment conditions could have a negative impact on the psychological well-being of the of the recruitment consultant (Cohen and Golan 2007; Hui et al. 2007).

Recruitment Agencies in South Africa

According to the Skills Development Act of 1998, a private recruitment agency is described as any person who wishes to provide employment services for gain (Skills Development Act, Number, 97 of 1998). The above description of a recruitment agent does not come with strict restrictions or guidelines on the qualification criteria for the industry. It means that the recruitment industry is an open market that can be accessed by individuals and groups with an interest in employee placement in South Africa (DuToit 2005).

In South Africa, many companies rely on recruitment agencies for the supply of labour. Recruitment companies are involved with the placement of professional, casual and contract employees. Various methods are used to look for the potential job candidate and this depends on the scarcity of skills required and the time-frame to fill the position. These methods include using search engines such as Career Junction and P-net, advertising, headhunting or snow-balling (Dhar et al. 2008). In most agencies, salary is based on commission. This means that the more the candidates placed per month, the higher the salary for the recruitment consultant. Therefore, salaries of recruitment consultants are not fixed hence income is not predictable. This variation in income could affect the psychological wellbeing of recruitment consultants in South Africa (Arrowsmith and Marginson 2010). The performance of recruitment consultants is measured by the number of placements per month and whether or not these placements were sufficient to meet the set targets in monetary terms. Inability to meet set targets is also likely to have an impact on the psychological wellbeing of the recruitment consultants. The workload in the recruitment industry could be high and the recruitment consultants could at times fail to provide regular feedback to job seekers and employer organisations (Arrowsmith and Marginson 2010). Recruitment consultants could use the scattergun approach to ease the pressure on candidate search demands. This method involves sending as many curricula vitae as possible to a client in the hope that one of their candidates will be selected.

Recruitment agencies have become popular in the South African labour market due to a growing industrial base. Companies may outsource the recruitment and selection function from recruitment agencies because organisations may not have suitable candidates to fill in vacancies (Tregenna 2008). Also, advertising the position coupled with a long process of selection can take much of the organisation’s business hours. The longer it takes to fill a position, the more the operational costs incurred by the company (Tregenna 2008).

Organisational Climate

Organisational climate is described as a set of characteristics that make an organisation’s work environment different from others. These characteristics are relatively enduring over time and tend to influence the behaviour of employees in the organisation (Liou and Cheng 2010). Organisational climate influences interpersonal relationships, individual autonomy, freedom, degree of communication between members and departments, conflict management, degree of trust and influence, and decision-making pro-
cesses in the organisation (Punia et al. 2004). Organisational structure looks at dimensions such as structure, responsibility, rewards, support and warmth. These factors are important to the work environment of recruitment consultants.

Research indicates that the work environment plays a critical role in influencing individual behaviour (Ohly and Fritz 2010). An organisational climate could promote or deter work-based outcomes (Ohly and Fritz 2010). Organisational climate is associated with turnover intention (Russel et al. 2010). A good organisational climate is associated with employee satisfaction, employee performance, organisational commitment and a decrease in intent to leave (Donoghue 2010). A good organisational climate facilitates good working relationships between the organisation’s management and employees (Pyman et al. 2010). An organisational climate that is characterised by a centralised and mechanistic structure is believed to be more effective in production-driven and not service-driven industries (Carmeli et al. 2010).

A relatively flat structure could be more appropriate to a recruitment agency as that kind of organisational design accommodates innovation and decentralised decision-making (Carmeli et al. 2010). A flat organisational structure is associated with a good organisational climate. It is argued that employees could experience less organisational hierarchy and there could be efficient communication between management and employees (Ohly and Fritz 2010). Such an organisational climate cultivates innovation, team spirit and decentralised decision-making processes (Ohly and Fritz 2010).

The structure of an organisation determines how an organisation operates to meet its targets. The structure of an organisation is associated with the prevailing organisational climate. A recruitment agency structure could be in form of a bureaucratic, matrix, simple structure or organic structure (Morgan 2006). The bureaucratic structure is based on standardised procedures and follows laid down rules and regulations. This type of structure could be common among recruitment organisations in South Africa. Most of the international organisations in South Africa are managed by White male managers (Decker 2010). The managers could be racist and intolerant to innovation and inclusion of diversity principles in the management of business (Wasserman 2010).

Organisational responsibility is associated with retention of employees. Employees who feel valued by being given responsibilities by their managers tend to develop organisational commitment (Liou and Cheng 2010). Strict checking of work done, lack of trust, and punishing employees severely for minor mistakes are factors that are considered to be characteristic of a bad organisational climate (Torka et al. 2010). Being assigned responsibilities in the recruitment industry could be associated with the reduction of turnover intention because successful assignments could bring about benefits such as good reputation for the recruitment consultant and a good commission.

Organisational rewards are considered to be incentives in reducing turnover intention among employees (Changa and Huang 2010). A good organisational climate is associated with the promotion of employees on merit (Colley and Price 2010). Rewarding employees in a transparent manner motivates them to perform better (Colley and Price 2010). In South Africa, organisational rewards could be based on gender, race, xenophobia, religion and other forms of organisational malpractice due to challenges that come with forced and imposed transformation targets by government in the new South Africa (Finchilesu and Tredoux 2010). Resistance to change and non-rewarding of good performance could result in employee turnover. Blacks in South Africa are reported to be leaving and changing jobs most of the time in search of better rewards and a good organisational climate (Gibson and Claassen 2010).

Organisational support is important in retaining employees. Research indicates that an organisational climate with a good employee support could reduce employee turnover (Kuvaas and Dysvik 2010). Organisational support could be provided by organisations to employees through the provision of emotional support when employees go through a bad time in their lives and at work. The organisation could provide career development programmes for their employees. Performance teams could be put in place to assist new employees and underperforming employees. Employee assistance programmes are an integral part of organisational support to employees (Pollack et al. 2010). This study contends that recruitments consultants like any other group of employees in South Africa might need organisational support.
Organisational warmth is regarded as central to the promotion of a good organisational climate (Liou and Cheng 2010). Employees need to work in a friendly environment. They need a relaxed atmosphere (Liou and Cheng 2010). Treating each other as equals at work even though the occupational positions could be ranked according to seniority has been found to promote organisational warmth (Ion et al. 2010). Organisational warmth in South Africa could be affected by challenges associated with racial integration, ethnic differences, sexual harassment, the revolving door concept and the glass ceiling effect (Decker 2010; Thomas and Adams 2010).

Intent to Leave

Turnover intention is described as a deliberate and conscious consideration to leave an organisation whereas actual turnover refers to the actual termination of an individual’s employment with an organisation (Emberland and Rundmo 2010; Mishra and Bhatnagar 2010). Intention to leave is associated with negative work factors such as organisational climate and perceptions of job insecurity (Emberland and Rundmo 2010; Mishra and Bhatnagar 2010). Previous research indicates that there is a relationship between intention to quit and actual quitting (Emberland and Rundmo 2010). It could be argued that high turnover intentions among recruitment consultants could translate into actual turnover. An employee’s intention marks the most immediate motivator of task performance. An individual’s choice behaviour is influenced by their intentions (Mishra and Bhatnagar 2010). Managers in recruitment agencies could monitor turnover intentions among employees by carrying out intention to leave survey among employees and to have dialogue with employees so that they get a sense of employees’ intentions to quit in the short and long terms. Management could stabilise turnover intentions by cultivating a desirable organisational climate (Carmeli and Vinarski-Peretz 2010).

Turnover intentions can result from push factors like lack of interest in the job, bad working climate and pull factors like availability of opportunities in the market (Hughes et al. 2010). The organisational climate in recruitment agencies can act as a push factor which aggravates intentions to leave among recruitment consultants (Estryn-Behah et al. 2010). Some of the factors associated with turnover intentions are availability of employment alternatives, inter-role conflict and job satisfaction leave among recruitment consultants (Estryn-Behah et al. 2010). Employment agencies receive numerous job offers to such an extent that the recruitment consultants themselves would be tempted to apply for the same positions that they are expected to advertise.

Research investigating labour turnover among recruitment consultants in South Africa could be interesting in that human resource consultants know the implications of employee turnover on organisational productivity. Low labour turnover contributes to organisational profitability (Lai et al. 2008). High labour turnover is costly to a company because of the subsequent hiring and training of new employees (Cohen and Golan 2007). Turnover could be detrimental to organisational performance (Cohen and Golan 2007). It normally takes six months of probation for the employees to learn and get accustomed to their new job before they can become fully functional and efficient (Cohen and Golan 2007). It is against this background that this study sought to research the relationship between organisational climate and intent to leave among recruitment consultants in South Africa.

Aim of Study

The study sought to investigate the relationship between organisational climate and turnover intentions among recruitment consultants.

Research Question

Is there a relationship between organisational climate and turnover intention among recruitment consultants?

Hypotheses

1. There is no relationship between overall organisational climate and intention to leave.
2. There is no relationship between organisational structure and intent to leave.
3. There is no relationship between organisational responsibility and intent to leave.
4. There is no relationship between organisational reward and intent to leave.
5. There is no relationship between organisational support and intent to leave.
6. There is no relationship between organisational warmth and intent to leave.

MATERIAL AND METHODS

Research Design

This was a cross-sectional correlational study which looked at the relationship between organisational climate and intent to leave among recruitment consultants. Correlational designs look at relationships between variables.

Sample

The sample consisted of 52 recruitment consultants. There were (N = 45) female recruitment consultants and (N = 7) male recruitment consultants. These were drawn from one large multinational recruitment company in South Africa. The recruitment company has branches in all the major cities of South Africa. The company specialises in recruiting people with specialist skills in accounting, finance, management, banking, and engineering and information technology for big companies in South Africa and abroad. Non probability sampling was used in this study to recruit participants. Participants were employees who were actively involved in searching for candidates and interviewing them. They were involved in the whole recruitment process from inception up to the conclusion of the employment contract. Since there are usually small numbers of recruitment consultants available in one branch, the sample was drawn from the five branches in Johannesburg. The branches of this multinational corporation operated under the same standardised policies which were termed as the organisational culture of the corporation or the “blue blood” culture of the company. This implied that the branches were deemed to have the same organisational climate.

Procedure

When permission was granted by the organisation to conduct this study, participants were invited to participate in the study through the organisation’s communication channels. Questionnaires were distributed to participants for completion. Participants were told that participation was voluntary and that they were free to continue or withdraw from the study without consequences. The questionnaire pack consisted of the subject information letter inviting participants to participate in the study. Participants were expected to complete the biographical questionnaire which asked for demographic information, the Turnover Intention Scale and the Organisational Climate Scale.

Measuring Instruments

The measuring instruments which were used in this research were: the Biographical Questionnaire, the Turnover Intention Scale and the Organisational Climate Scale.

Biographical Questionnaire: The questionnaire asked participants to provide information about gender, age, educational level, hours worked per day and tenure at the company. This information was important in providing descriptive data required in understanding the study sample. However, these biographical factors were not included in the statistical calculations.

Organisational Climate Scale: The scale was developed by Litwin and Stringer (1968) and is called the Litwin and Stringer Organisational Climate Questionnaire (LSOCQ). The scale was used to measure recruitment consultants’ perceptions of their organisational climate. Responses were measured on a 4-point Likert-type scale with 1 representing “strongly agree” and 4 representing “strongly disagree”. The scale is currently used in South Africa, so the study did not seek to establish reliability and validity of the scale (Tustin 1993). The full scale consists of nine subscales which are: structure, responsibility, reward, risks, warmth, support, standardisation, conflict and identity. For the purpose of this research, only five subscales of the organisational climate scale were used. These were structure, responsibility, rewards, support and warmth.

Turnover Intention Scale: The Turnover Intention Scale used to assess intentions to quit among recruitment consultants. This instrument is currently used in South Africa (Martin and Roodt 2008). The scale has three items which assess the withdrawal intention of employees. The scale measures three interrelated constructs of turnover intention which include thinking of quitting, intention to search for better employment options and intention to quit. Responses were measured on a 5-point Likert-type scale.
with 1 meaning “strongly agree” and 5 meaning “strongly disagree”.

**Data Analysis**

Data were analysed using SAS statistical package. The study was correlational in nature. Pearson’s product moment correlation was employed to analyse the data.

**Ethical Considerations**

These ethical considerations were informed consent, confidentiality, anonymity and voluntary participation. No names were required on the questionnaires in order to ensure anonymity. Participants were asked to participate on a voluntary basis. In order to ensure confidentiality, participants were required to seal their responses in an envelope provided and they placed the sealed envelopes in a box placed in the reception area of the organisation.

**RESULTS**

**Descriptive Statistics**

The biographical information gathered showed that the majority of recruitment consultants had the following qualifications: school leaving certificate (27%), certificate in management (13%), and diploma (27%). This indicated that the majority of the recruitment consultants in this company (67%) were non-degreed. Only 25% of the recruitment consultants had a university degree. The remaining 8% represented those with qualifications not specified.

In terms of hours worked per day by recruitment consultants in this company, the following information was obtained: the majority of the sample (63%) worked relatively long hours of between 8 to 10 hours per day. The group that worked longest hours per day worked for 10 to 12 hours (10%) and the group that worked normal hours worked for 1 to 8 hours (27%).

The tenure of recruitment consultants in this company was as follows: most of the recruitment consultants had worked for an average of 12 months or less and only six recruitment consultants had worked at the company for periods of 1 year to 2 years.

The sample distribution in terms of age, race, and gender across all the five branches showed that: the employees were between the ages of 18 to 35 years old, there were more Black employees than White employees, and that there were more women than men in all the branches of the organisation.

The means and standard deviations showed that organisational climate: structure was (M = 15.77), SD (4.12), responsibility, (M = 16.96), SD (2.45), rewards (M = 12.27), SD (3.60), support (M = 10.19), SD (3.07) and warmth (M = 9.50) SD (2.53). Turnover intention had (M =11.04) SD (3.53).

The results indicated that there was a negative correlation between organisational climate and turnover intention among recruitment consultants although some of the correlations were weak. The results showed a strong inverse relationship between organisational climate and turnover intention (r = -0.65). The results indicated a positive correlation between subscales of organisational climate and turnover intentions as follows: structure (r = -.23), responsibility (r = -.33), reward (r = -.62), support (r = -.72), and warmth (r = -.55). The negative correlation between organisational climate and intent to leave implied that when perceptions of organisational climate were low, employees in this study showed a high intent to leave. Organisational climate was inversely related to turnover intention in this study.

**DISCUSSION**

The findings of this study showed a negative relationship between organisational climate and turnover intention. The results showed that a good organisational climate was associated with low turnover intention among recruitment consultants. The findings are consistent with previous research findings on organisational climate and turnover intention (Liou and Cheng 2010; Ohly and Fritz 2010). It is contended in these studies that organisational climate strongly influences an employee’s decision or intention to quit. Organisational climate is associated with the reduction in turnover intentions (Donoghue 2010; Russel et al. 2010).

Organisational structure could contribute to intent to leave among employees as reported in previous studies (Liou and Cheng 2010; Pyman et al. 2010). In this study, organisational structure was associated with intent to leave among recruitment consultants (Carmeli et al. 2010).
structure of most of the organisations in post-
apartheid South Africa is dominated by White
males at the top (Decker 2010). Most of the man-
gers in this study were White and tended to
maintain the organisational culture or what was
termed “the blue blood culture” of the multi-
national company. The majority of the participants
were young Black Africans who could have ex-
perienced the organisational climate as foreign,
bureaucratic and repressive (Finchilescu and
Treoux 2010). They reported that most of the
goals they were supposed to achieve were large-
ly not achievable and that they were rarely con-
sulted in formulating organisational targets and
organisational policy-making processes (Dixon
et al. 2008). They experienced the organisational
structure as bureaucratic and characterised by
excessive rules. Affirmative action policies could
also make it possible for Black South Africans
to leave organisations with a negative organis-
ational climate (Dixon et al. 2008; Moore 2010).
As an emerging economy, the recruitment indus-
try in South Africa could offer a competitive en-
vironment in which young recruitment consult-
ants could take advantage of the opportunity to
leave bureaucratic organisations without incen-
tives to retain young talent (Martin and Roodt
2008; Estryn-Behah et al. 2010; Torka et al.
2010).
Recruitment consultants in this study showed
responses that indicated a negative correlation
between responsibility and turnover intention.
Organisational climate as expressed in terms of
responsibilities that the employee was accorded
by the organisation showed that recruitment
consultants in this study felt that low responsi-
bilities were associated with intent to leave
(Dixon et al. 2008). The findings are consistent
with earlier studies which showed a positive cor-
relation between low sense of responsibility and
employee turnover intention (Liou and Cheng
2010; Torka et al. 2010). Human resource con-
sultants could have felt that their managers were
too strict or that they did not give them room to
initiate and implement new ideas that were dif-
ferent from the organisational culture (Dixon et
al. 2008; Ion et al. 2010). Recruitment consultants
who reported that they were not given ade-
quate responsibilities and decision-making
powers also showed responses of intent to leave
the recruitment agency.
Low reward of employees, as part of organi-
sational climate, correlated positively with turn-
over intention in this study (Gibson and Claassen
2010). Recruitment consultants in this study felt
that work issues like promotion prospects, trans-
parency in the allocation of duties, compensa-
tion systems, and organisational recognition of
an employee’s contribution to the success of the
organisation were critical in determining intent
to leave among employees (Dixon et al. 2008).
The results are similar to previous studies on the
relationship between organisational rewards and
intent to leave (Colley and Price 2010).
Organisational support correlated positively
with turnover intention in this study. The results
are consistent with previous studies on organi-
sational support and intent to leave among em-
ployees (Kuvaas and Dysvik 2010). Recruitment
consultants who perceived the organisation as not
offering adequate support with regard to show-
ing an understanding of the recruitment con-
sultant’s working conditions, career aspirations,
professional growth and getting assistance in
case they missed their targets reported that they
intended to leave the organisation. They felt that
they did not receive both material and emotional
support at work. The results are similar to
previous findings on the importance of organi-
sational support in the promotion of employee
wellness (Pollack et al. 2010).
Organisational warmth was associated with
turnover intention in this study. It was found in
this study that recruitment consultants who re-
ported that their organisational climate was not
friendly or relaxed reported higher turnover in-
tention (Ion et al. 2010). The results support pre-
vious findings on the relationship between
organisational climate and turnover intention in
various work contexts (Hughes et al. 2010; Tho-
mas and Adams 2010). Recruitment consultants
in this study might have faced common hostili-
ties experienced in South African workplaces
such as gender-related glass ceiling effect in
which male managers fail to recognise the work
done by young female employees due to tradi-
tional beliefs, bullying, sexual harassment, intol-
erance to diversity, modern racism, and autocratic
style of management (Finchilescu and Tredoux
2010; Thomas and Adams 2010; Wasserman
2010).

Limitations of the Study
The results of this study were based on one
large multinational organisation in the recruit-
ment industry in South Africa. The sample size was small as typical of many human resource consulting companies in South Africa. There are not so many recruitment consultants in a branch. The results only indicated an association between organisational climate and intent to leave but not a causal relationship between the two variables.

CONCLUSION

The research findings indicated that organisational climate in a recruitment agency was related to turnover intentions among recruitment consultants. A negative correlation indicated an inverse relation between organisational climate and intent to leave in this study. The organisational climate factors that were reported to be unfavourable to the retention of recruitment consultants were organisational structure, responsibility, rewards, support, and warmth. Future research could focus on improving the organisational climate of recruitment consultants and the reduction of turnover intention in fast-changing business environments.

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