STRATEGIES FOR RETAINING TALENTED STAFF AND KNOWLEDGE MANAGERS: A CASE STUDY

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Submitted in partial fulfilment of the requirements for the degree of Magister in Business Administration in the Faculty of Business Economic Sciences at the Nelson Mandela Metropolitan University.

PROMOTER: Prof. D.M. Berry

NOVEMBER 2008
DECLARATION

This work has not been previously accepted in substance for a degree and is not being currently submitted in candidature for any degree.

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This dissertation is the result of my own independent work/investigation, except where otherwise stated. Other sources are acknowledged by footnotes giving references. A reference list is appended.

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ABSTRACT

The South African government is currently targeting 6 per cent economic growth for the country (Mail & Guardian, 2006). The construction industry is one of the growing forces contributing to the current economic growth of South Africa. However, in the speech made by the president Thabo Mbeki, he highlighted the labour market as one of the key constraints to achieving higher and sustainable growth. It is believed that there is a skills shortage or a mismatch in the labour market (Mail & Guardian, 2006).

The construction industry has seen a steady growth over the past number of years. When South Africa won the bid to host the 2010 world cup, this required more building work to be done, such as construction of stadia, hotels, etc. This has put further strain in the construction industry. As the work load increases, the companies in the industry require more resources, with the human resources being the most affected. This has seen a high rate of talented staff turnover in the industry as companies seek to increase their capacity to allow them cope with the current work load.

The consulting engineering industry plays a critical role of the construction industry. The selected company is part of the electrical and mechanical consulting engineering industry which has also been affected by the high talented staff turnover.

The main purpose for this research was to identify retention strategies that can be used by the selected company to reduce the turnover of their talented staff. The research also investigated methods to retain the knowledge within the company that was possibly lost due to a high talented staff turnover rate.

The first step used to resolve the issues discussed above was to complete a full literature study. The literature study sought to reveal what characteristics were required in the company that ensured staff would be happy in that company and remain there for a long time. The literature study also covered what knowledge
management methods can be used by the company to retain its valuable knowledge.

Secondly, the views of current staff, ex-staff and management of the selected company on staff and knowledge management strategies were asked in an empirical study, which involved completing questionnaires and conducting structured interviews.

Based on the findings of the literature study and the empirical study, the last step was to make recommendations on what strategies should be implemented to retain staff and knowledge for the selected company.
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CHAPTER 1: PROBLEM STATEMENT AND DEFINITION OF CONCEPTS

1.1 INTRODUCTION

The South African government is currently targeting 6 per cent economic growth for the country (Mail & Guardian, 2006). The construction industry is one of the growing forces contributing to the current economic growth of South Africa. However, in the speech made by the president Thabo Mbeki, he highlighted the labour market as one of the key constraints to achieving higher and sustainable growth. It is believed that there is a skills shortage or a mismatch in the labour market (Mail & Guardian, 2006).

The South African Gross domestic product (GDP) has been growing steadily over the past few years as depicted in Figure 1.1. In the beginning of 2001 it was recorded as 3 per cent and a peak of 7.5 per cent in the last quarter of 2004. In the first quarter of year 2007 this was recorded as 4.5 per cent. This economic growth and the future looks positive prior to the 2010 Soccer world cup to be held in South Africa. The construction industry contributes approximately 7 per cent of the GDP (Statssa, 2007a: 1). According to Statistics South Africa (2007b: 20) the construction industry is made up of:

- Site preparations;
- Construction of buildings (Construction of homes, and Construction of other buildings);
- Construction of civil engineering structures;
- Construction of other structures;
- Construction by specialist trade contractors;
- Plumbing;
- Electrical contracting;
- Shop-fitting;
- Other building installations;
- Painting and decorating;
• Other building completions; and
• Renting of construction or demolition equipment with operators.

Approximately 50 per cent of the construction industries’ income comes from construction of buildings and civil engineering structures. In 2004 the construction industry recorded a total income for R 100 billion with a total profit of R 4 billion (Statssa, 2007b, 2).

Figure 1.1: Annualised growth rate in the seasonally adjusted real value added at basic prices

![Annualised growth rate in the seasonally adjusted real value added at basic prices](image)

Source: Statssa, 2007a: 2

The consulting engineering firms play an important role in the construction industry. They ensure that safety, quality standards and best engineering practices are used in the development of public facilities and infrastructure such as roads, Information Technology and Communication, schools, clinics, hospitals, etc. These firms are also regulated by the Engineering Professions Act (Act 46 of 2000), which requires engineers and technologists to be registered with the Engineering Council of South
Africa (ECSA). The Act is there to ensure that the services provided by these firms is of a high professional standard and prevents unqualified individuals from carrying out engineering practices.

The current positive economic growth stretches the country’s financial, physical and human resources. It also affects the performance of these engineering firms. The skills shortage is seen as a possible impediment to the country’s economic growth. Recent data from the Federation of Civil Engineering Contractors showed that SA had one engineer per 3200 people compared with one per 150 in India and China, one for every 250 to 300 in Europe, and one for every 400 to 450 people in the US and Australia. A third of SA’s engineering graduates over the past 40 years work overseas (Temkin, 2007: 1). This has caused an escalation in annual salary increases for the engineers. This has also increased the poaching of engineers and job-hopping, as companies struggle to acquire and retain engineers.

The organisation researched, MZK Consulting, has been in existence for approximately 50 years and undertakes a wide range of consulting engineering work including design, contract administration and project management. The company is rated in the top five consulting electrical and mechanical companies in the country in terms of size (number of employees). Over the years the company has developed positive relationships with its clients such as government and privately owned companies. These relationships are made stronger by the high quality of service that the company offers its clients. They are highly driven by the people that work for the company.

As an electrical and mechanical engineering company, MZK Consulting is also faced with these industry challenges. The company has experienced a high employee turnover and a high salary demand from engineering graduates.
1.2 MAIN PROBLEM

The main function of the consulting engineering firm researched is to provide professional service to its clients, such as the government and the private sector. The consulting engineers are responsible for the design and supervision of infrastructure development such as roads, electricity distribution, buildings (e.g. hospitals, schools, offices, etc.) within the construction industry. Therefore, consulting engineering is highly driven by human resources.

At MZK Consulting there appears to be an age gap between the age brackets of 22 to 30 years and 48 to 63 years. The first age group is made up of younger, engineers with working experience of zero to six years. The second age group is made up of more experienced engineers with more than 15 years of working experience. The latter being the core expertise of the company. Ideally, the company should have complementing staff that covers the whole age/experience spectrum to ensure learning continuity. Currently this is not the case.

A concern is that younger engineers change jobs before attaining sufficient experience to fill senior engineering positions in the company. In the company, senior engineers are responsible for mentoring and guiding the junior engineers and share the experience that they have gained over the years. Once senior engineers retire, there may be a serious shortage of successive engineers in the 31 to 47 year age bracket to take over the mentoring of junior engineers.

The knowledge that the senior engineers have, has been gained through experience over a period of time while working. This knowledge is then shared with junior engineers on a day-to-day basis. With the knowledge and experience these junior engineers gain, they become more efficient and enables them to find better solutions to engineering problems. This knowledge could therefore, be referred to as the company’s intellectual capital. The company does not have any knowledge management policies in place to preserve its intellectual capital. Therefore, some
of this intellectual capital is lost when critical employees resign or retire from the company.

This study intends to investigate the following main problem:

**How can MZK Consulting retain talented employees and its intellectual capital?**

### 1.3 SUB-PROBLEMS

- What does literature reveal regarding the retention of employees and knowledge management?
- What are the perceptions of staff and management on factors that make employees leave or stay in a company?
- What strategies can the company implement to reduce the rate of staff turnover and retain its intellectual capital?

### 1.4 DELIMITATION OF THE RESEARCH

The company selected for research is MZK Consulting, electrical and mechanical consulting engineers. This study mainly focused on current and previous employees of MZK Consulting. The company currently employs approximately 60 employees. All these employees were asked to participate in this research.

The study was conducted within the MZK Consulting offices. The company has five offices in:

- Cape Town;
- East London;
- George;
- Port Elizabeth; and
- Windhoek (Namibia).
1.4.1 Staff Members

All engineering staff members of the above offices were encouraged to participate in this study.

1.4.2 Ex-staff

Ex-staff are defined as all the employees who have resigned from the company for various reasons between the years 2001 and 2006.

1.4.3 Exclusions

The following company stakeholders were excluded from this study:

- Staff members of the Windhoek office; and
- All supportive employees, such as receptionists, cleaners, accountants, typists, personal assistants, and bookkeepers.

1.5 OBJECTIVES

The objectives of this study were as follows:

- To study existing literature and determine what retention strategies could be used to reduce employee turnover;
- To determine how knowledge management could be used to preserve the intellectual capital of the organisation;
- To establish the areas where the organisation is lacking in terms of employee retention strategy requirements; and
- To recommend strategies that the organisation can implement to reduce employee turn and manage its intellectual capital.
1.6 SIGNIFICANCE OF THE RESEARCH

Hitt, Ireland and Hoskisson (2005: 81) suggest that companies should use their human resources to achieve sustainable competitive advantage. They believe that competitive advantage can be achieved through intangible resources such as company culture, knowledge and innovation of staff. These are found to be rare and difficult to imitate as compared to tangible resources such as financial, physical and technological resources.

Most companies maintain that their employees are their greatest assets. In most cases this is where it ends and no further attention is given to this precious asset. In a study done in Ireland, it showed a significant decline of the labour market which is something new to Ireland. This has made talent shortage a great concern for senior managers. Yet, none of the executives has a detailed list of critical skilled personnel needed for the future growth of their company (Deloitte, 2005: 1).

The study also reveals that the companies now focus on aggressive search for external candidates to fill critical positions and increasing investments towards current employees to convince them to stay (Deloitte, 2005: 1). This is the current trend in South Africa and it is due to the lack of planning for medium to long term and the fact that organisations are reactive rather than being proactive in their planning.

Figure 1.2: Traditional approach to Talent management process

![Figure 1.2: Traditional approach to Talent management process](Source: Deloitte, 2005: 1)
The traditional approach to talent management has focused on the recruitment and retention activities. While these are critical issues, it is also important to have a holistic approach to talent management (Deloitte, 2005: 1). High staff turnover is also accompanied with cost. Managers tend to deny this, as they believe that staff turnover is just a cost of doing business. They say “people come and people go” or “you can’t expect to hold on to everyone forever” (Braham, 2005: 5). Connell and Phillips (2003: 5) believe that these managers do not realise the costs involved with staff turnover, such as:

**High financial cost:** direct and indirect costs;

**Survival is an issue:** recruiting and retaining the appropriate talent can determine the success or failure of a company;

**Productivity losses and workflow interruptions:** this causes problems for the projects that the employee was handling and increases the workload for those that take over the project;

**Service quality:** turnover compromises customer service quality;

**Loss of expertise:** in the knowledge industry such as in engineering, a departing employee may leave with critical skills needed for certain projects;

**Loss of business:** with less staff it may become difficult to take advantage of new opportunities;

**Job satisfaction for remaining employees:** remaining employees can be distracted by their concern about why others are leaving; and

**Image of the organisation:** high turnover creates a negative image and once this image is established in the labour market it is difficult to change, especially in the recruiting channels.

Lehaney, Clarke, Coakes and Jack (2004: 27) state that “the ability to manage the intellect of human resources, including the creativity and sharing of knowledge, has a direct impact on the maximisation of the organisation overall, not necessarily to be realised in the profit margin only, but the overall market value of the organisation”.
1.7 DEFINITION OF KEY CONCEPTS

1.7.1 Talented Staff

In this study talented staff are defined as the employees that meet the minimum academic requirements to qualify them for registration with the Engineering Council of South Africa (ECSA). It also refers to those employees that have already registered with ECSA as professional engineers, technologists and technicians.

1.7.2 Intellectual Capital

Lehaney, Clarke, Coakes and Jack (2004: 27) describe intellectual capital as “including organisational and individually accumulated knowledge, ability, skill, and expertise”.

1.7.3 Knowledge Management

Knowledge management in this case is the management of human expertise. This is the knowledge that is obtained from experts and is based on expert experience, as it requires a higher degree of understanding than information alone. Information on its own consists of facts and data that is organised in a structured way, whereas knowledge includes values, beliefs, perspective judgement and the know-how (Lehaney, et al., 2004:16).

1.8 RESEARCH METHODOLOGY

The methodology used during the investigation is described in this section.

1.8.1 Literature Survey

Relevant literature was studied to reveal methods that could be used to implement talented employee retention strategies.
1.8.2 Empirical Study

This study included the following:

a) Structured interviews

Experienced employees who have a minimum of 10 years service with MZK Consulting were interviewed. This was to gather their views about knowledge management systems and how they can be implemented in the company. These interviews were conducted by the researcher;

b) E-mail survey

Questionnaires were sent to all employees, management and ex-employees of MZK Consulting to gather their perceptions about employee retention. The questionnaire was drawn up by the researcher; and

c) Sample

All employees, managers and ex-employees were requested by the researcher to participate in the investigation.

1.9 CONCLUDING REMARKS

In this chapter the main problem of the research was introduced. The chapter also provided an overview on how the research is to be conducted and what methodology will be applied. The following chapter seeks to reveal the theoretical background of staff and knowledge retention strategies. The theory discussed in chapter two will be used as the basis for the investigation of staff, ex-staff and management views about current staff retention strategies and knowledge management at the selected company.
CHAPTER 2: EMPLOYEE RETENTION STRATEGIES AND KNOWLEDGE MANAGEMENT

2.1 INTRODUCTION

In the study the assumption has been made that the strategies to be created are meant for employees who are self-motivated and have positive attitudes towards the organisation. To devise effective strategies, the theory on what motivates these employees must be considered. This theory will help in assessing at what level of motivation the employees are and how this information could be used to adjust the strategies accordingly.

The following three theories of motivation were chosen by the author as being more relative to the study than other numerous other theories. The theories to be discussed are Maslow’s hierarchy of needs, Herzberg’s two-factor theory, and Vroom’s expectancy theory.

2.1.1 Maslow’s hierarchy of needs

Maslow’s hierarchy of needs is a well known motivation theory. Due to this popularity, Clayton Alderfer also created the ERG theory which is a modification of Maslow’s theory (Moorhead and Griffin, 1995: 86).

Maslow’s theory divides individual needs into basic five categories and the needs are then ranked by the level of importance. As shown in Figure 2.1 the needs on the bottom of the pyramid are the most basic needs and at the top are the most highly ranked and difficult to reach (Schultz, Bagraim, Portgieter Viedge and Werner, 2003: 55). Maslow’s original hierarchy of needs is shown on the right hand side of Figure 2.1. Initially Maslow did not develop the theory for use in organisational management, it was only twenty years later that he agreed that his theory could be related to organisational human behaviour. This was after the
theory was popularised in management books by authors such as Douglas McGregor (Luthans, 1992, 157).

Maslow believed that an individual would start at the bottom of the pyramid and work their way up. He also believed that an individual would need to satisfy the one level of needs, to get to the next level (Schultz, et al., 2003: 55).

Figure 2.1: Application of Maslow’s hierarchy of needs

Later Maslow’s needs theory was extended and modified by Clayton Alderfer. He believed that an individual had three different categories of needs as shown in Figure 2.2, namely existence needs, relatedness needs, growth needs (Moorhead and Griffin, 1995: 57).

The argument in the ERG theory is that the movement through the different levels of needs can be two-way (up or down), depending on the environment and the individual’s circumstances (Schultz, et al., 2003: 57). This is an important difference between Maslow’s theory and the ERG theory (Moorhead and Griffin,
1995: 87). An example of individual circumstances is that a young single employee will be more willing to move to a different town for better employment opportunities, than a married employee with children at school level.

Alderfer believed that an individual would move up the needs hierarchy when that certain level of needs is satisfied, but also move down the upper level of needs if the need is frustrated. This cycle would continue to occur throughout the life stages and circumstances of the individual (Schultz, et al., 2003: 57; Moorhead and Griffin, 1995: 88).

2.1.2 Herzberg’s two-factor theory

In the previous section the theory was based on individual needs that all humans strive for. In his theory, Herzberg was more interested in the factors that made
employees enjoy their jobs. In his research he interviewed a sample group of accountants and engineers. The research showed that there was a difference on what factors caused employees to feel good about their jobs and what made them feel bad. The factors identified were categorised as Motivators (intrinsic) and Hygiene factors (extrinsic), where:

- **Motivators** gave the employee positive job satisfaction, arising from intrinsic conditions of the actual job, such as recognition, achievement, or personal growth. Examples of these factors would be challenging work, opportunities for personal growth, and responsibility; and

- **Hygiene factors** did not give positive satisfaction, although they would create dissatisfaction if they were not present. These are extrinsic to the job itself, with examples such as company policies, working conditions, etc. (Schultz, et al., 2003: 60).

According to Lau and Shani (1992: 193) employees expect the hygiene factors to be in their favour. Employees today expect salaries to be market-related, to work in a safe and comfortable environment (e.g. ventilated and air-conditioned offices), but this does not mean that they will be happy or productive. This will only ensure that they are not unhappy (Lau and Shani, 1992: 193).

Therefore from the examples made above, it is clear for the employer that those factors that lead to job dissatisfaction should be eliminated. More focus must be made towards the factors associated with the work itself, such as giving employees different or challenging work, promotional opportunities, personal growth, and responsibility (Schultz, et al., 2003: 60).

2.1.3 Vroom’s Expectancy Theory

All the content theories discussed above were criticised by many for being too simple. Most theorists believe that even though they were easy to apply in
organisational management, they did not fully describe the complex motivation process that takes place in an organisational setting (Luthans, 1992: 161; Lau and Shani, 1992: 198). This led to the development of process theories of motivation such as Vroom’s expectancy theory and the Porter-Lawler motivation model.

The basic expectancy theory was initially developed by Edward Tolman and Kurt Lewin, but most of the credit was given to Victor Vroom. Vroom was the one that first used the theory as motivation in a work environment (Moorhead and Griffin, 1995: 108). In his research Vroom found that the effort that an employee is likely to apply depended on three relationships that are discussed below and also shown in Figure 2.3;

**Expectancy belief:** would the effort that the individual applies towards a certain task result in performance (Schultz, et al., 2003: 65). As shown in figure 2.3 expectancy is the probability that a particular action will lead to a first-level outcome (Luthans, 1992: 163).

**Instrumentality belief:** this refers to the degree in which a first-level outcome will lead to a desired second-level outcome (Luthans, 1992: 163). In other words, would the effort that the individual applies towards a certain task result in a reward being awarded to the individual by the organisation. For example, a sales person of cars would know that if they put an effort on finalising a car deal, they will receive a commission (Schultz, et al., 2003: 65).

**Valence:** This refers to the strengths of an individual’s preference to a particular outcome - second level outcome (Luthans, 1992: 163). An example of this would whether the reward that the individual receives from the organisation meets the individual’s personal goals (Schultz, et al., 2003: 65).

In simple terms the expectancy theory says that motivation depends on how much a person wants something and what is the probability of getting (Moor and Griffin, 1995: 108). Others believe that individuals consider alternatives, weigh costs and
benefits and choose a course action that will satisfy their wants and needs (Lau and Shani, 1992: 201).

Unlike the content theories, the process theories are not very popular with managers as they are very complex to understand and apply in the workplace. The expectancy theory seems to help managers appreciate the complexities of motivation, but it does not give an adequate guide to solving these problems in the workplace (Luthans, 1992: 164).

Schultz, et al., (2003: 66) suggests that managers should ensure that:

- Employees receive adequate training to ensure that they are able to perform and become more efficient. All barriers to performance should be removed (provide all tools necessary to execute the task);
- Rewards and performance be clearly linked; and
- Rewards should be meaningful to the individual.
2.2 STRATEGIES FOR STAFF RETENTION

2.2.1 Culture and Values of an organisation

The culture and values of an organisation cannot be summarised or quantified in one word, but the theory tries to define this (Schultz, et al., 2003: 22). Culture is defined as a unique pattern of shared assumptions, values and norms that shape the way people think, socialise talk and make day-to-day decisions within a group. Organisational culture is largely influenced by societal and industry culture and the group sub-culture (Hellriegel, Jackson and Slocum, 1999: 614). Culture could be divided into two dimensions, being the hard and the soft dimension; the hard aspects being the functional and technical issues. On the other hand the soft aspects being inspiration, energy, openness, collaboration, and sense of belonging (Cook and Jagger, 2005: 6).

Organisational culture creates a corporate identity which distinguishes the organisation from others (Schultz, et al., 2003: 22) and has the potential to enhance performance and individual satisfaction, the sense of certainty about how problems are to be handled (Hellriegel, et al., 1999: 614). This sense of certainty creates a sense of social stability and emotional security (Schultz, et al., 2003: 22).

According to Hellriegel, et al., (1999: 624) cultural elements and their relationship create a pattern that is unique to an organisation, which is the same case for individuals. These elements and relationships can be grouped to describe several general types of culture such as, bureaucratic, clan, entrepreneur and market culture (Hellriegel, et al., 1999: 624.)

**Bureaucratic Culture**

This is typical of an organisation that focuses on formalisation, rules, standard operating procedures and hierarchical co-ordination. The managers of this organisation enforce the written rules and procedures. The tasks and
responsibilities of employees are clearly spelled out (Hellriegel, et al., 1999: 625). These are typical of government departments.

**Clan Culture**
This is an organisation with high loyalty, personal commitment, extensive socialisation, teamwork, and self-management. In this culture the employees share a feeling of pride, a strong sense of identification and recognise their interdependence. The individual’s commitment to the organisation is exchanged with the organisation’s long-term commitment to the individual in the form of security and career advancement through the ranks (Hellriegel, et al., 1999: 626).

**Entrepreneur Culture**
This organisation is dynamic, risk-taking and innovative. Individual initiative and flexibilities are encouraged and rewarded. The individual must always do everything to keep customers happy, even if it means personally delivering the computer, when couriers are not available (Hellriegel, et al., 1999: 626).

**Market Culture**
This organisation is driven by sales growth, profitability and market share. The relationship of the employee and the organisation is contractual. Generally the organisation does not promise security and the individual does not promise loyalty (Hellriegel, et al., 1999: 628).

The culture of an organisation also determines the ethics and trust levels in the organisation. According to Connell and Phillips (2003: 221), ethics are based on organisational values and reflect the organisation’s culture. The standard of ethics allows a mutual understanding between the organisation and employees in terms of being valued and fairly treated as an employee. Research shows that a high level of organisation ethics improves job satisfaction and employee commitment (Connell and Phillips, 2003, 221).

Many organisations have codes of ethics which are meant to govern their behaviour and professional conduct. For example, the South Africa Association of
Consulting Engineering (SAACE) has a code of conduct that its members should subscribe to, but these only cover how the organisations should conduct their business in a professional manner (SAACE, 2007). When the organisation openly supports codes of ethics, employees are able to see that the organisation supports integrity. To truly validate this to employees, the drive must always come from the top. The leaders in the organisation are responsible for building trust and ethical behaviour in the organisation (Connell and Phillips, 2003: 223).

Other research also shows that integrity is one of the cultural characteristics for staff retention. Integrity is followed by communication, innovation flexibility, and future orientation. Staff retention is affected when these characteristics are truly present in organisation. This can be reflected by decisions made by the organisation on a day to day basis. The main business objectives of an organisation are to provide products or services profitably to its customers and not only to look after the well-being of employees. To achieve this profitability, decisions are made on a daily basis about financial resources, physical resources and human resource on how these could be used effectively to drive the business forward. In the process compromises and judgements are made. These decisions must be in line with organisational culture and values and employees would gain a lot of understanding on what guides the decision-makers. For example, when honesty and integrity are key values of the organisation, then doing business with clients known for corrupt behaviour is not appropriate. Other means of reflecting organisational culture could be work clothing, architecture/décor, organisational processes, and structures (Cook & Jagger, 2005: 6).

2.2.2 Leadership and Management

Leadership in this case is about the understanding and the motivation of the employees in the organisation by the managers. The managers of the organisation have a role of empowering employees and encouraging them to be committed to their jobs, teams and the organisation as a whole (Cook and Jagger, 2005: 8). This section of the study looks at how leaders can use their power to motivate and
influence these employees to become committed to their jobs and the organisation. This is assuming that a committed employee would be easier to retain. The power that leaders can use to influence and motivate employees can be divided into two categories, such as Position Power and Personal Power.

POSITION POWER
Position of power refers to the power that is based on “legitimate/formal authority, control over resources and rewards, control over punishment, control over information, and control over the organisation of the work and the physical work environment” (Yukl, 1994: 197).

**Formal authority:** Authority is based on the level of the position of the manager within the organisation structure. This power is also referred to as legitimate power (Moorhead and Griffin, 1995: 330). Depending on the level, the manager has the right to establish work rules, assign work to subordinates, etc. The authority gives the manager the right to exercise control over other things such as money, resources, and equipment. Influence based on authority can be used to accomplish routine activities without incurring costs associated with other types of power (Yukl, 1994: 198). Moorhead and Griffin (1995: 333) also say that subordinates are likely to be committed if requests by managers are made politely and are very appropriate, but resistance is also likely if arrogant demands are made.

**Control over resources and rewards:** This type of power is derived from the formal authority. The reward power does not entirely depend on the manager but also to what the expectations and perceptions of the recipient/employee are. Therefore, it becomes difficult to apply this power effectively for a manager that lacks credibility in the eyes of employees or if the employee believes that the requirements of obtaining the reward seem impossible (Yukl, 1994: 200). This supports Vroom’s expectancy theory which was mentioned earlier in this chapter. In applying this type of power, leaders should always ensure that the requests they make to their employees are feasible, ethical, proper and reasonable. The rewards should always be desired and credible to the employees (Moorhead and Griffin, 1995: 334). A manager should be aware of the competencies and capabilities of
certain employees and should not give tasks that beyond the employee’s capability. Some employees could be demotivated by this.

**Ecological control:** this is sometimes referred to as situational control which is related to job design. As mentioned earlier in the chapter by modifying the job design the manager increase employee motivation. Yukl (1994: 203) believes that the leader can manipulate physical environment, technology and the organisation of work to influence the subordinate (work allocation, tools, flexible working hours, etc.).

**PERSONAL POWER**

“Personal power includes potential influence derived from task expertise, friendship and loyalty and a leader’s persuasive and charismatic qualities (Yukl, 1994: 204)”.

Personal power resides in the person, regardless of their position in the organisation. A leader with personal power has a stronger influence to the followers as they will act based on choice or own will and not because they are forced (dictated up on). In an organisation a leader with greater personal power also needs a component of positional power because the followers may freely decide not to accept the leader’s directives or instruction (Moorhead and Griffin, 1995: 331). Therefore some type of authority is required.

**Expert Power:** this is a major source of personal power which comes from the manager’s expertise at solving problem and performing important and sometimes complex tasks (Yukl, 1994: 205). Managers should promote the image of expertise at all times (Moorhead and Griffin, 1995: 334).

The level of power increases as the level of dependency towards the manager by the employee increases. Expertise can be displayed in a number of ways, but the most convincing approach is to demonstrate these by solving important problems, making good decisions, providing sound advice and successfully completing complex and highly rated projects (Yukl, 1994: 205).
Managers should keep in mind that employee dependency changes over time as the employee becomes more experienced and competent. Therefore managers should always maintain their credibility by keeping themselves a step ahead from their subordinates about new developments, innovation, and new technology (Moorhead and Griffin, 1995: 334).

**Friendship and loyalty:** In general people tend to want to please the people that they have a strong friendship or good understanding with. Therefore if a manager is liked and admired it makes it easy for the manager to influence the employees. This type of power is also known as referent power. This type of power can be increased by a manager acting more friendly and considerate, showing concern about the needs and feelings of others, demonstrating trust and respect and being fair to everyone. But this needs to be consistent behaviour by the manager, not only when necessary (Yukl, 1994: 206).

**Charisma:** This type of power is difficult to define as it is at most times used to describe a leader with a supernatural ability to lead, charm, inspire, and influence its followers (Wikipedia, 2007: 1; Yukl, 1994: 2007). A charismatic leader is very similar to a friendly leader but the main difference is that the process of attraction towards a charismatic leader becomes very short as compared with a friendly leader (Yukl, 1994: 207).

According to Moorhead and Griffin (1995: 327), this theory was first introduced by Robert House in 1977. In his theory he suggested that charismatic leaders have a lot of self confidence and a strong need to influence people. They also communicate high expectation about follower performance and express confidence in followers (Moorhead and Griffin, 1995: 327). An example of a South African with these characteristics would be Nelson Mandela.

Figure 2.3 shows the three elements of charismatic leadership. Envisioning refers to the ability of a leader to express a compelling vision of the future, set high expatiations and demonstrate behaviours consistent with meeting those expectations. The leader must also be able to energise other by showing
excitement and confidence in them. The leader must also enable other by fully support and empathising with them (Moorhead and Griffin, 1995: 327).

Figure 2.3: The Charismatic Leader

<table>
<thead>
<tr>
<th>Envisioning</th>
<th>Energising</th>
<th>Enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Articulating a compelling vision</td>
<td>• Demonstrating personal excitement</td>
<td>• Expressing personal support</td>
</tr>
<tr>
<td>• Setting high expectations</td>
<td>• Expressing personal confidence</td>
<td>• Empathising</td>
</tr>
<tr>
<td>• Modelling consistent behaviours</td>
<td>• Seeking, finding and using success</td>
<td>• Expressing confidence in people</td>
</tr>
</tbody>
</table>

Source: Moorhead and Griffin, 1995: 327

Other theories show that a leader can use vision to influence others. The vision is defined as the leader’s image of how the organisation would look in the future, regardless of the current state of the organisation. On the other hand, strategies are the results of an analysis of the current status of the organisation such the resources, competence, and the changing environment the organisation operates in. Leaders can then use their power, such as charisma, expert power and others to make the vision reality (Zaccaro and Banks: 2001, 181). The figure 2.3 summarises how the leader’s can use vision to influence others and make the organisation more effective.

Figure 2.4 shows that leaders should communicate their vision to their followers. The communication of the vision should be inspirational, persuasive and imaginary with clear and compelling arguments, challenging language that calls for commitment, and the specification of tasks and goals. Communication accompanied by action should produce in follower’s self-identification with the leader’s vision and a high degree of trust in, confidence in, and loyalty to the leader. This would also positively affect performance and ambassadorship by the subordinates (Zaccaro and Banks, 2001: 198).
2.2.3 Communication

According to Cook and Jagger (2005: 9):

“Communication should be open, honest and relevant and reflect the culture and values of an organisation. At its best, communication is a two-way street between business leaders and staff. This two-way street can help to create a more powerful vision for the organisation”.

Communication is the cornerstone of all the strategies discussed in this study. Without communication none of these strategies would be effective. As discussed in the previous section, a manager has certain powers to influence others and there are also certain characteristics that employees like about their managers, such as fairness, consistency, integrity, decisiveness and being a good communicator (Forsyth, 1999: 17). An organisation may have a performance
management system, succession plans, incentive schemes, but again without
good communication, these will fail. Managers of organisations should concentrate
on the following issues when it comes to communicating with employees.

**Recruitment and selection:** According to Puth (2003: 137), motivation comes
predominantly from within the individual. Therefore if that is the case,
organisations should only employ only people who have the potential to be
motivated in the first place (Puth, 2003: 141). Preparation for interviews is critical.
Interviewers should be in a position to ask the right questions at the interview.
Asking the wrong questions or not asking at all can mean an appointment of an
individual that does not fit in with the organisation’s culture and values (Forsyth,
1999: 7).

**Appraisal:** Some organisations conduct appraisal interviews with employees to
look at the performance of the employees (Forsyth, 1999: 51). Performance
appraisals are for keeping track of the success and development of employees.
These help managers to set goals for employee and ensure the goals are
achieved. Setting specific goals for the employees gives them an opportunity to
focus their energies towards the desired result which would lead to a certain
recognition or appraisal (Puth, 2003: 142).

The attitude of managers towards appraisal interviews is sometimes negative, as
managers believe they are time-consuming and employees believe that it is a lot of
promises and no deliveries. It important to note that there are positives as well,
such as:

- Reviewing each individual’s past performance;
- Planning for the future work and role of the employee;
- Setting new goals;
- Identifying development and training needs; and
- Obtaining feedback (Forsyth, 1999: 51).
Regular performance evaluation and frequent feedback can prevent major surprises and assist managers to focus on ways to improve and develop the employees (Puth, 2003: 142). Forsyth (1999: 52) suggests that the purpose and the format of this appraisal interview should be communicated very well to employees to ensure that they also come prepared to these interviews. Employees should be encouraged to take note of issues they would like to discuss throughout the year and keep them on file, which would be used during the interviews to refresh their memory. At the interview, goals are set for the coming year, but employees should be informed throughout the year (continuous feedback) if they are on track to meeting their goals (Forsyth, 1999: 54). Used in a correct manner, performance appraisal can be a good management tool because it is structured in a way that gives employees recognition and feedback with constructive criticism (Puth, 2003: 142).

**Training:** Is one of the critical elements towards employee skills and competence development. It also increases the individual’s confidence or self-esteem towards work and other employees which also motivates the employee. Inadequate communication to employees about training could lead to an incorrect identification of an employee to attend the training. An employee could attend a course that he or she does not enjoy and is not beneficial to him or her. This may cause the individual to dislike training in general, based on this unpleasant experience. This further highlights the importance of two-way feedback during the appraisal meetings. At the appraisal interview, training needs could be identified properly to avoid any mismatch (Forsyth, 1999: 9).

**Incentives:** These are designed to motivate performing employees to perform even better than they have already. Incentive schemes are generally decided by management in organisations. Their contents therefore tend to be what the management prefers, rather than what the employees would like or need (Forsyth, 1999: 9). Puth (2003: 143) also agrees that determining which rewards are valued and are important to each employee must always be considered. Different things motivate different people, with some people valuing monetary rewards the most. For other people, other rewards are preferred to money, such as a written or a
verbal recognition to show the acknowledgement of their contribution (Puth, 2003: 143).

Therefore, it is important to engage employees in talk and discover what their dislikes and likes are. Where possible, incentive schemes should be tailored to each individual employee, but based on certain boundaries set by management (e.g. budget). This is critical in the South African context where there is such a diverse culture and background.

**Motivation:** At most times, managers tend to only consider physical items for motivating employees, but sometimes a sample “thank you” and a “well done” will go a long way in motivating the employee. Employees should not wait for the end of the year bonuses or performance management meeting to hear how well they are doing. Forsyth (1999: 107) suggests that managers should consider the following ways of saying well done to employees (these are listed ascending by level of motivational power):

- Saying well done, one on one;
- Saying it in public, in an open plan office;
- Saying it to be said in an “occasion” (e.g. end of the year function, social weekend, or teambuilding session);
- Saying (in one of the ways listed) and then confirming it in writing;
- Getting the initial statement endorsed by someone senior; and
- Publishing it in a company newsletter.

Over and above the issues discussed above, managers also need to be open in their communication. It is good to take people into the manager’s confidence, rather than being dismissive or secretive towards them. As communication is two-way managers should also be open to suggestions made by their employees. Sharing some of the organisation’s sensitive information could also help the manager gain trust and loyalty from the employees.
2.2.4 Performance Management

It is normal for any employee to expect some type of reward for the work that he or she has performed. The performance should be evaluated systematically using a performance management system. What is important to the employees is that the performance evaluation system must have consistency and equity. A fair reward system will help employees trust the performance management system and trust the organisation. The fairness of the system will affect the retention of employees. For an employee who is highly skilled and competent, an above-market salary may not be enough to keep the employee happy. This type of employee may seek further motivation such as flexible working hours, profit sharing, etc. (Cook & Jagger, 2005: 6).

A performance management system should be based on the culture and values of the organisation. This should be reflected in the rewards and administration of the system. The system should support and promote competencies that support the organisational goals.

Earlier it was mentioned that the system should be consistent and equitable. To achieve an equitable system, the individual must know what is expected of them. This requires the organisation to do a job analysis which can be used as critical information for a performance management system. Employees should be given targets at the beginning of the appraisal cycle. Review meetings should be held regularly with employees to give adequate feedback on the performance and progress for the period. (Cook & Jagger, 2005: 6). Basically the performance management system should follow the cycle shown in figure 2.5.

JOB DESIGN

“A job design refers to the way in which work is structured into the different tasks and responsibilities required to execute a particular job” (Swanepoel, Erasmus, van Wyk and Schenk, 2003: 194).
The job design seeks to define the given job, so that the employer and the employee know what tasks must be performed, and how they are to be performed. It also describes what level of decision authority the employee on that job has and who the employee must report to (e.g. supervisor, junior management, director, etc.). Each job must be designed in line with the organisation’s culture, values, and goals (Swanepoel, et al., 2003: 194).

To design a job, the organisation needs to do a job analysis. A job analysis is a systemic process of collecting information about a job and exploring the activities of a particular job (Swanepoel, et al., 2003: 194). Job analysis can be basically divided into two; Job description and Job specification as shown in figure 2.6. An organisation with a well defined job design will therefore make it easier for its employees to understand what is expected of them. It is important for an organisation to carry out this exercise on a regular basis as technology changes and global pressures increase the level of efficiency. This also means that the
organisation should also regularly consider if the employee requires training to ensure that the employee performs better on-the-job.

Figure 2.6: Job analysis

![Job Analysis Diagram]

Source: Swanepoel, et al., 2003: 224

**JOB REDESIGN**

Job redesign is often used to increase work efficiency. In some instances it is used to increase employee satisfaction, motivation or product quality (Brannick and Levine, 2002:4). It looks at how the same job can be changed without actually changing the description and specification of the job. This is done to make the job more interesting and challenging to the employee. This can be achieved by the three methods discussed below.

**Job rotation**

In job rotation employees are rotated from job to job without disturbing their workflow. This exposes the employee to a variety of tasks and activities, which should make the work interesting (Swanepoel, et al., 2003: 197).
Job enlargement

This is another simple method of redesigning a job, by adding more simple tasks to a certain job (Swanepoel, et al., 2003: 197). It involves the addition of tasks at the same level of skill and responsibility. This method is sometimes used by small companies where there is a limit in the number of promotions (Reh, 2007:1).

Job enrichment

The job enrichment method looks at the individual’s needs (e.g. need for development, personal growth, responsibility, challenging work, etc) and organisation’s needs (needs for employees to perform efficiently, innovation, etc). Increasing the responsibility and complexity of a job may also require further training of the job holder (Swanepoel, et al., 2003: 199).

The work by Herzberg on job enrichment was further refined by Hackman and Oldham to develop the Job Characteristics model. “This model assumes that if five core job characteristics are present, three psychological states critical to motivation are produced, resulting in positive outcomes” (Mione, 2006: 2). Each individual has a need for accomplishment, to learn, grow, develop, and be challenged by the work content. In the model this is referred to as the “growth-need strength”.

Figure 2.7: Job Characteristic Model

```
Job Characteristics
Skill variety
Task identity
Task significance
Autonomy
Feedback

Critical Psychological State
Experienced
Meaningfulness of work
Responsibility for work outcomes
Knowledge of results

Job Outcomes
Internal work motivation
Job satisfaction
Growth satisfaction
Low absenteeism
High quality performance

Growth Need Strength
Source: Mione, 2006: 2
```
If the model shown in Figure 2.7 is considered during a job redesign, it may lead to high internal work motivation, job satisfaction, etc., but only if there is also adequate satisfaction with the work environment and if the individual’s abilities are matched with the individuals needs (Swanepoel, et al., 2003: 199).

TRAINING

The information gathered from the job analysis exercise can be used to identify the training needs for employees to meet their job requirements. Employees need to develop specific competencies in order to improve their work performance.

Therefore, organisations should create development files for each employee that identifies current and future job requirements. This will help identify skills and knowledge gaps between current and desired performance. The following are some of the methods that can be used to address training needs (Schultz, et al., 2005: 81);

- Formal classroom training;
- Workshops;
- On-the-job training;
- Coaching and Mentorship; and
- E-learning.

When it comes to training and identifying training needs, knowledge workers pose a different challenge for employers. Knowledge workers are professionals who prefer not to be closely supervised. They expect to be held accountable and they want to be given the freedom to act appropriately to achieve the results. Generally, this group of employees handle the high profile and complex projects for the organisation. They are also given specialised training and further education (such a Masters in Business Administration (MBA)) courses, and overseas educational tours (Schultz, et al., 2003: 84).
The challenge for management gets greater as these employees start to be specialists in the organisation and more attractive to the competition. These employees may also be attracted to other organisations that promise to give them further progress in their careers. With this in mind, managers tend to want to limit resources of training and development towards these employees, even though they know that this is not the best solution. It actually becomes a fine line that must be handled carefully, as these employees may leave if they are not looked after (Schultz, et al., 2003: 84).

2.2.5 Managing poor performance

As much as most employees tend to be motivated and hard workers, there are those employees who fail to perform in organisations. Some researchers believe that these employees who fail to perform should be disciplined or fired otherwise if no action is taken other employees may be demotivated by this (Cook & Jagger, 2005: 12).

This becomes a challenging task for management and if not handled with care could damage the trust between management and the staff of the organisation (Cook and Japper, 2005: 12). Unlike large organisations, small organisations have no disciplinary polices in place, which makes it a touchy subject for them as this does not happen everyday (Schultz, et al., 2003:80). Management’s lack of insight and investigation into the reasons that caused the poor performance could raise further challenges. Even though staff want to see disciplinary being action taken, they also prefer seeing the individual being given a second chance and supported by management to improve their performance. To them this shows a sign of fair treatment (Cook & Jagger, 2005: 12).

With the South African labour laws it may be difficult to dismiss an employee based on poor performance claims. Labour Guide (2007), suggests that the employer should investigate the causes of poor performance. If an employee used to be a good performer, poor performance can be caused by personal problems, such as
financial problems, pending divorce, or a sick child. It could also be work-related such as harassment, and victimisation. Once the cause is found, the employer should make all the efforts necessary to assist the employee, which may include training, counselling, and mentoring.

2.2.6 Terms and conditions

Cook and Jagger (2005: 12) believe that terms and conditions of service are not key to staff retention as long as they are perceived to be competitive with the market and are administered equitably. Organisations should always ensure that their salaries and benefits are market-related. During difficult times such as the current situation in South Africa, organisations should differentiate themselves in the market place to be able to attract the scarce skilled personnel and high performers such as engineers.

Employee’s support for a performance management system can be lost if employees feel that the remuneration and rewards from the system are not equitable or reflective of their performance. As mentioned earlier, all management systems can be designed to do good but without proper communication and administration can also do harm.

There is also an issue of secrecy about salaries in organisations. Cook and Jagger (2005: 14) also agree that the terms and conditions of employment are deemed to be confidential between the employer and the employee but at social settings where employees meet, this stops being confidential information.

Salary structures should ensure that each individual is paid fairly and for what they are worth. Organisations keep salaries secret because they are not fair to everyone and there is a fear that if everyone knew who earned what, there could be problems in the organisation. This frustrates employees as any unfairness in a secretive organisation cannot be dealt with directly (Positivesharing, 2006). For example if Gerald learns that Xolisa earns a higher salary than he does, but they
have got similar experience and competencies; it becomes difficult for Gerald to
complain to management about this issue as he was not meant to know this. Even
when finally he complains to his manager, it becomes difficult for the managers to
resolve it, as it may set a precedent.

The following are some of the advantages of keeping salaries (within the
organisation) a public issue (Positivesharing, 2006):

- Salaries will become more fair and equitable. It would also adjust itself over
time;
- It would make it easier to retain talented staff; and
- It increases commitment and performance. The people with the highest
salaries must always prove to everyone that they are worth what they earn.

Generally organisations should be open about their salary and bonus budget.
Managers should always communicate what the company can afford to pay on
salaries based on the organisational budget. For example, if the organisation can
afford 5 per cent annual increases, this must be communicated to all employees.
This should be followed by feedback to those employees, who are receiving less
than the said 5 per cent, which could be dealt with during the appraisal interviews
(one-on-one basis). This also applies to those employees that are receiving an
increase above the said 5 per cent.

2.2.7 Promotion, development and talent management

Generally, the responsibility of career planning resides on the employee, but the
management of an organisation can assist the employee to make more realistic
decisions in their career planning. They can assist the employee with the general
management of their careers (Swanepoel, et al., 2003: 413).

The assistance from management could be in the simplest form such as
continuous employee engagement in talks and feedback (communication). An
employee could also be assigned to a mentor by the organisation. Mentoring plays
an important role in career advancement. A mentor should be someone that is a senior organisational member and be assigned to a junior organisational member. This would tend to create an inspiration relationship between the mentor and the mentee as the mentee would look up to the mentor (Swanepoel, et al., 2003: 414).

Employee development and mentorship should be in line with the organisation’s succession planning. Heathfield (2007:1) defines success planning as a process whereby the organisation recruits employees and develop them to fill key positions in the organisation. In the succession planning process an organisation should recruit talented employees, then develop their knowledge, skills, and abilities and prepare them for advancement or promotion into more challenging roles (Heathfield, 2007:1).

A well driven and successful succession plan would help the organisation to retain talented employees because they appreciate the attention that is being given to them and the investment into their development. In order for a succession plan to be successful it should be linked to the organisation’s vision, values, and long-term goals (Heathfield, 2007:1). Fulmer (2002:1) suggests that another key success factor is to create a match between the organisation’s future needs and the aspiration of the individual employees.

Most organisations use a talent management system to promote and develop their employees. According to Fulmer (2002: 2), talent assessment is a semi-transparent process within organisations. It is mostly managers that receive feedback about their career status and which area of skills and competence they need to focus on. On the other hand, junior employees who have been designated as high potential/talented individuals are seldom told of this designation to avoid raising expectations. Cook and Jagger (2005: 16) argue against this practice.

Company policies should encourage internal promotion and managers should be encouraged to communicate promotion potential to performing individuals. Internal promotion policies aid employees in establishing clear expectations regarding their future which motivates them to perform well and develop skills that may be
beneficial in their subsequent positions (Liu, Combs, Ketchen and Ireland, 2007: 506).

2.3 KNOWLEDGE MANAGEMENT

2.3.1 What is knowledge management?

Knowledge management can be considered in a number of ways. This study looks at knowledge management as managing tacit and explicit knowledge that would allow retention of critical knowledge or “know-how” within the organisation (Lehaney, et al., 2004: 16). In short, tacit knowledge is defined as the “knowing how”, while explicit knowledge is the “knowing that” (Lubit, 2001: 166).

An individual gains tacit knowledge through their experience in a certain environment. Individuals can unconsciously learn a process or system by making deductions about relationships between important variables. This knowledge is also gained through watching experts solve problems, practice in addressing problems and getting feedback (Lubit, 2001: 166). This type of knowledge is difficult for the individual to explain or document as this knowledge incorporates values, beliefs, perspectives, judgement and “know-how” (Lehaney, et al., 2004: 16). The advantage of tacit knowledge is that it is difficult to be copied by other companies (Geisler, 2007: 467).

On the other hand, explicit knowledge can be documented easily and allows it to spread around a company very quickly. Examples of this include total quality management, just-in-time inventory management, employee involvement and re-engineering. These were once developed within companies and became competitive advantages for them. Because they can be documented, they soon became industries best practices (Lubit, 2001: 165).
In the past, knowledge management did not form part of business management. Management has always been seen as definable objects and processes such as finance, project management, production, et cetera. The elements such as knowledge management that did not appear on the financial returns were often ignored by business. Even human resources took some time to gain its recognition. Accountants normally cover knowledge under terms such as intangibles and goodwill, but that is where it ends (Lehaney, et al., 2004: 16).

Knowledge management can help adaptability by enabling the sharing of knowledge more easily, more effectively, more efficiently, and more systematically. For both internal and external purposes, knowledge management is important to success and a competitive edge. For knowledge management to work it needs to be managed from the top and communication is the driving force (Lehaney, et al., 2004: 17).

2.2.2 Why is knowledge management important?

Bacon, (1561), states that “knowledge is power”.

As the quotation above suggests, knowledge has always meant power: power to survive, power to adapt and power to thrive in a hard environment (Buckman, 2004: vii). The 21-century environment has become even harder.

With 21-centrury globalisation being a reality, the nature of competition in all markets or industries in the world is changing rapidly and relentlessly. In this global economy, the conventional business approaches to competitive advantage such as economy of scales or big advertising budgets are no longer applicable (Hitt, Ireland & Hoskisson, 2005: 8). In support the above argument Geisler (2007: 164) states that knowledge should be considered as a key to competitiveness and performance of organisations of the post-industrial economy.
Today managers must adopt a new mind set which values flexibility, speed, innovation, integration, and the challenge that evolves from the ever-changing business environment. This current competition is sometimes referred to as hyper-competition. This is defined as a condition of rapid competition based on price-quality positioning, competition to create new know-how and establish first-mover advantage (Hitt, et al., 2005: 8). Competitive advantage is increasingly being found in “knowing how”, rather than having access to special resources and markets. Knowledge and intellectual capital have become the primary bases of core competencies and performance (Lubit, 2001: 164).

The competition in the global economy has also been fuelled by the advance in information technology. The creation of faster computers, cellular phones, advancements in virtual reality and tetra-byte databases are some of the examples of how technology has been developing over the years. This has enabled companies to access and use information effectively and efficiently and this has become a source of competitive advantage (Hitt, et al., 2005: 14).

Barclay and Murray (2007: 1) summarise the need for knowledge management, which is also in line with the statements above as follows:

- Marketplaces are increasingly competitive and innovative;
- Scarcity of skills creates a need to replace informal knowledge with formal methods;
- The amount of time available to experience and acquire knowledge has diminished;
- Early retirements and increasing mobility of the work force lead to a loss of knowledge; and
- Changes in strategic direction may result in the loss of knowledge in a specific area.
2.3.3 Knowledge management approaches

**Mechanistic approach**

A mechanistic approach to knowledge management is characterised by the application of technology and resources to do the same job/task better. In this approach, it is mainly assumed that better accessibility to information is a key whereby the emphasis is in enhancing methods of access and the reuse of documents which involves hypertext linking, databases, full text search and the like. Networking is also a key solution and it is technology and sheer volume of information that will make knowledge management initiatives work. The availability of faster internet connection such as broadband, and Asymmetric Digital Subscriber Lines (ADSL) allows the use of virtual private networks feasible for organisations to inter-connect their operations from different geographical areas. The issue is, whether access itself will have a substantial impact on business performance, especially as mountains of new information are placed online (Barclay & Murray, 1997: 6).

**Cultural/behavioural approach**

Employees are generally reluctant to share tacit knowledge with co-workers if their workplace does not encourage support learning, co-operation, and openness. This becomes more difficult when an organisation is going through a downsizing or restructuring process (Buckman, 2004: 35). An example of this in South Africa was when Telkom was downsizing and restructuring. A lot of training technicians, who were doing in-service training at the time, complained that they were denied knowledge as the senior technicians feared losing their jobs to these new recruits.

Organisational knowledge is traditionally controlled by management to ensure that it is always correct. Therefore, in this form the knowledge is passed from the top of the hierarchy to the bottom of the hierarchy, which increases the probability of distortion (Buckman, 2004: 39). This worked and was accepted in the older days where the method of management was “command-and-control”. With today’s
knowledge workers, the culture of organisational knowledge flow should change. These knowledge workers can and must think on their own and managers should therefore, not control what information they get access to (Buckman, 2004: 41).

In business today, people often network informally with others that share similar interests, to discuss their experiences, gather ideas of others and gain feedback on their own thoughts. Organisations can facilitate the spread of tacit knowledge by promoting these networks or groups. As shown in figure 2.9, knowledge flows quicker in a network form rather than the hierarchy approach (Lubit, 2001: 169).

Figure 2.8: A network of knowledge sharing

There are more advantages to networks or groups. The networks do not only share tacit knowledge, but as the different tacit knowledge is shared and mixed, it can lead to new insights and innovation. Therefore, organisations should also reward the use of knowledge gained from elsewhere in the company. If the culture of
knowledge sharing is not motivated and supported by management it would fail (Lubit, 2001: 169).

**Recording tacit knowledge**

This involves the documentation of critical events in an organisation such as a product launch, change initiative or innovation. This not only records the best methods used, but also the mistakes encountered during the event and how they were overcome. It also documents the logic and assumptions made that underlay the decisions. This information can be studied and discussed by others who may experience a similar problem (Lubit, 2001: 170).

Another way of spreading tacit knowledge is to develop routines. This could be in a form of a standard agenda that is used in project kick-off meetings. This agenda will have to ensure that all the right questions are answered and tackled at the beginning of the project (Lubit, 2001: 170).

**Mentoring and coaching**

This is a longer term approach of interpersonal interaction. Coaching arrangements and opportunities to observe experts tackle problems are very good ways of conveying tacit knowledge rather than by trial and error (Lubit, 2001:168). The knowledge shared by a mentor is generally a blend of organisational experience and the mentor’s knowledge of how to navigate and solve complex problems (Geisler, 2007:474).

In a coaching and mentoring relationship, it helps more when the expert thinks out loud. The thinking out loud involves the sharing of one’s perspective and insight, noting what factors one thinks are the most important in solving the case (Lubit, 2001: 168).

**2.3.4. Knowledge products**

The following are some of the knowledge products that were discovered by Buckman Labs when they started to use knowledge management as their business
strategy. Even though these were discovered and used in the chemical industry, they can also be adjusted and applied in other industries as well.

**Best practices database:** as they started to share knowledge, with a database of best practices it allowed them to react faster to the market changes and new customer demands (Buckman, 2004: 198).

**Learning modules:** from the best practice database they also developed learning modules, which they believe it made the learning cycle shorter for their organisation (Buckman, 2004: 198).

**Lessons learned:** they shared the knowledge they learnt while solving problems with their valuable customers. This helped to strengthen the relationship with their customers as the organisation became more valuable to its customers (Buckman, 2004: 1990).

**New product development style:** linking research and development with knowledge management system, products such as “best practices database” would help an organisation in developing products that meets customer needs and beyond (Buckman, 2004: 199).

**Corporate repositioning:** sharing valuable knowledge with its customers made Buckman Labs happy customers. This resulted in higher profits being realised even though the company was now shipping less products to the customers (Buckman, 2004: 200).

**Speaking and consulting:** as they shared more of their knowledge, Buckman Labs found themselves being asked to assist with the implementation of knowledge management systems to other organisation. This became a new business opportunity for them (Buckman, 2004: 200).
2.4 CONCLUSION

There is evidence that indicate that all the items discussed above are in one way or another inter-linked together. In other words, these cannot be treated in silos. For example paying the highest salaries in the industry may not be enough to retain talented employees if issue such as working conditions are ignored. Therefore, this supports the argument that employee retention requires a holistic approach by the organisation.

It may not be possible for organisations to retain all of their talented employees. Therefore, organisations should consider other strategies to stay competitive in their industry. In this chapter knowledge management was introduced as a supplement strategy for staff retention. Knowledge management will allow an organisation to fast-track the process of learning within the organisation as it is evident that in this century this has become very important.
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In chapter 1 the following main problem for this research study was presented:

How can MZK Consulting retain talented employees and its intellectual capital?

In order to solve the main problem for the study, the following sub-problems were devised:

1. What does literature reveal regarding retention of employees and knowledge management?
2. What are the perceptions of staff and management on factors that make employees leave or stay in a company?
3. What strategies can the company implement to reduce the rate of staff turnover and retain its intellectual capital?

In chapter 2, the literature relating to employee retention strategies and knowledge management was discussed in depth. This solved sub-problem number 1. In this chapter the research methodology and design used to solve sub-problem 2 will be discussed.

3.2 RESEARCH METHODOLOGY

In chapter 2 various retention strategies for employees and knowledge management were discussed. To solve the second sub-problem, the author had to investigate the perceptions of the staff of the selected company to assess whether of not the issues discussed in chapter 2 were prevailing at the selected company.
The researcher chose the survey method to conduct the investigation. A survey is a positivistic methodology. In this methodology a population (where the population is small) or a sample (where the population is large) of the population is studied to make deductions about the population (Collins and Hussey, 2003: 66).

According to Collins and Hussey (2006: 66) the most important issues on the surveys is determining the sample and how to ask the survey questions. The questions can be asked face-to-face or by telephone interviews or questionnaires.

In this case the researcher chose to use both questionnaires and telephone structured interviews. Questionnaires are one of the most efficient and cheaper methods of collecting data (Collins and Hussey, 2003: 173).

- Questionnaires: These were used to investigate the perception of staff about retention strategies and information sharing; and
- Telephone structured interviews: these were used to investigate the opinions of staff and management about knowledge management.

### 3.3 DEVELOPMENT OF THE QUESTIONNAIRES

According to Collins and Hussy (2003: 173) questionnaires are associated with both the positivistic and phenomenological methodologies. In most cases with positivistic methodologies the population is large and therefore the questions should be closed questions.

The questions in the questionnaires were structured in the same manner as the retention strategies discussed in chapter 2. The questions posed under each section seek to reveal whether the retention strategies discussed in chapter 2 were prevailing at the selected company.
There were three questionnaires in total which were worded for different categories of respondents. The three categories were:

- Questionnaire for Staff – See Appendix B;
- Questionnaire for Management – See Appendix C; and
- Questionnaire for Ex-staff – See Appendix D.

Standard questions were also prepared for the structured interviews as shown in Appendix A.

### 3.4 STRUCTURED INTERVIEWS

The purpose of the interviews was to acquire more insight on how the selected company can manage and retain its knowledge and experience. It was also to confirm the views of the author and the theory discussed in chapter 2.

### 3.5 SAMPLE SIZE AND SELECTION

Due to the size of the selected company, the author believed that it was best to get participation from all the engineering employees. Only the supporting staff (clerks, accountants, personal assistants and drawing office personnel) were excluded from participating in this study.

Three senior engineers from the firm were interviewed, for the knowledge management strategies.

### 3.6 COLLECTION OF DATA

On completion of the questionnaires, electronic mail (email) was used to distribute them to all the participants. The participants were requested to complete the
attached questionnaires and return them back to the researcher. Most of the respondents responded using the email media. Some of the respondents replied using the facsimile media.

The interviews were conducted over the telephone. The interview time varied from 15 minutes to 30 minutes. This method was found to be the most economical as compared to travelling to visit the different participants.

3.7 CAPTURING AND EDITING OF DATA

All the questionnaires received were captured into a spreadsheet document. The spreadsheets were divided into three, i.e. management results, staff results and ex-staff results. This information was then used to generate bar graphs for analysis.

The discussions during the interviews were summarised by the author as detailed in chapter 4.

3.8 ANALYSES OF DATA

The analysis of the graphs from the results is covered in chapter 4.

3.9 RESPONSE RATE

A total of 35 questionnaires were distributed to participants. The response rate for the survey is shown on Table 3.1.

Table 3.1: Response Rate

<table>
<thead>
<tr>
<th>Total Questionnaires</th>
<th>Total Response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>29</td>
<td>83%</td>
</tr>
</tbody>
</table>
The participants that did not respond were mostly the senior engineers in the company. They believed that the company was too small to be concerned with retention strategies. They also believed that their views would not make a difference.

3.10 CONCLUDING REMARKS

In this chapter the methodology used to gather the information for the research was discussed. In chapter 4 the results from the survey and the interviews will be analysed to determine whether the characteristics of staff retention and knowledge management strategies are prevailing at the selected company.
CHAPTER 4: RESULTS PRESENTATION AND DISCUSSION

4.1. INTRODUCTION

In chapter two, certain theories and strategies for staff retention and knowledge management were discussed. In chapter three the methodology was described on how the study was carried out to assess whether the environment at MZK consulting meets the requirements discussed in chapter two. This chapter will present the results of the empirical study carried out at MZK consulting.

The questionnaires were structured as follows:

- Section A – Demographic Information;
- Section B1 – Organisational culture and values;
- Section B2 – Leadership;
- Section B3 – Communication;
- Section B4 – Performance management;
- Section B5 – Managing poor performance;
- Section B6 – Terms and Conditions;
- Section B7 – Promotion, development and talent management;
- Section C – Knowledge management; and
- Section D – General.

The questionnaires were distributed to three different groups. The groups were divided into:

- Management;
- Staff; and
- Ex-staff.
4.2 ANALYSIS AND INTERPRETATION OF THE DEMOGRAPHIC INFORMATION FOR MZK STAFF

4.2.1 Gender

The ex-staff respondents were all males. The staff respondents comprised 14 per cent females and 86 per cent males (2 females out of the 14 staff respondents). As expected in an engineering firm the gender inequalities are evident as it can be seen in Figure 4.1 and 4.2 below.

Figure 4.1: Gender of the Staff respondents

![Figure 4.1](image1)

Figure 4.2: Gender of the Ex-staff respondents

![Figure 4.2](image2)

4.2.2 Race

From figure 4.3 it can be seen that 64 per cent of the staff respondents are Nguni and 36 per cent are white, while ex-staff is made up of 60 per cent white and 40 per cent Nguni.
4.2.3 Age

A large percentage of the staff respondents is made up of younger individuals with 86 per cent of them between the age of 18 years and 28 years, while 14 per cent is between 29 and 38 years. According to the constitution of South Africa, youth is limited to the age of 35 years. Therefore, a certain percentage of the 14 per cent would still fall in the category of youth. This may give an indication of some of the issues faced by MZK consulting. Younger people are found to be more willing to change jobs compared to older people as they have less responsibilities (e.g. children at a reputable school). It is also interesting to note that the ex-staff respondents fall under the 29-38 age bracket.
Figure 4.5: Race of the staff respondents

Figure 4.6: Age of the ex-staff respondents

4.2.4 Qualifications

Generally there is a wide spread of qualifications by the staff respondents. It is interesting to note that almost 60 per cent of the staff respondents have 4-year qualification (B-Techs and Bachelor’s Degrees). This is a positive sign that the staff of MZK consulting feel it is important to study further. Individuals that further their studies expect a reward for their efforts by the firm in terms of promotion or higher salaries and if management does not acknowledge this, individuals will seek to fulfil this outside the firm.

Eighty per cent of the ex-staff respondents also have 4-year qualifications. With these qualifications it is easy for these individuals to secure employment from other firms as these five ex-staff individuals have demonstrated.
4.3.5 Office of employment

The staff respondents were widely spread over the four offices and the percentages reflect the size of each office.
4.3.6 Departments

A large number of the staff respondents are employed in the Electrical department. The number of employees that have left the company is proportional to the size of each department with the Electrical department having four out of the five ex-staff respondents.

Figure 4.10: Departmental representation of Staff respondents

![Pie chart showing 71% Electrical and 29% Mechanical for Staff respondents]

Figure 4.11: Departmental representation of Ex-staff respondents

![Pie chart showing 80% Electrical and 20% Mechanical for Ex-staff respondents]

4.3.7 Experience

Only 14 per cent of the staff respondents have 5-10 years experience with MZK consulting, the rest of the respondents having 0-4 years experience. This is in line with the age of the respondents as discussed in Section 4.2.3.
4.3.8 Number of times that the respondent changed employer

Four (80 per cent) out of the five ex-staff respondents have changed jobs twice or more. One out of five had already changed employers five times or more. This may suggest that staff turnover is not only limited to MZK consulting, it may be an industry phenomenon. This phenomenon could be due to the supply and demand issue, caused by the lack of skills in South Africa.
4.3.9 Professional registration

As in the previous section, four (80%) out of the five ex-staff respondents are registered as professionals. Due to the aforementioned issue of skills shortage, this makes these individuals become very mobile. These individuals are able to change employers as they seek to satisfy all the unsatisfied needs. At the moment these types of individuals are able to negotiate the best salaries with new employers.
It is interesting to note that 49 per cent of the staff respondents are registered as candidate professionals. It generally takes these individuals three to four years to attain their professional registration. These individuals should be carefully guided and be given constant feedback about their future in the company, before they get to the stage of being in demand and being inundated by offers from other firms.

It is also interesting to note that the 14 per cent of staff respondents that have professional status have 5-10 years experience with MZK consulting. Therefore, the firm should carefully investigate and seek to fulfil the needs of these individuals.
4.3 ANALYSIS AND INTERPRETATION OF THE RETENTION STRATEGIES

4.3.1 Section B1- Organisational culture and values

4.3.1.1 Statement 1.1:

a) The Management views on this statement, “Our staff are welcomed as part of the MZK family” are shown in Figure 4.18 below.

Figure 4.18: Management views on statement 1.1

b) The Staff views on this statement, “I feel welcome and part of the family at MZK” are shown in Figure 4.19.

Figure 4.19: Staff views on statement 1.1

Figure 4.20: Ex-staff views on statement 1.1
c) The Ex-staff views on this statement; “I felt welcome and part of the family at MZK” are shown in Figure 4.20.

As shown in Figures 2.18 to 2.20 the majority of the respondents agree that staff feel welcome at MZK consulting. This means that based on the size of the company, everybody in the company feels part of the family at work.

4.3.1.2 Statement 1.2:

a) The Management views on this statement, “We value and treat staff fairly here at MZK” are shown in Figure 4.21.

Figure 4.21: Management views on statement 1.2

b) The Staff views on this statement, “I am valued and treated fairly at MZK” are shown in Figure 4.22.
c) The Ex-staff views on this statement; “I was valued and treated fairly at MZK” are shown Figure 4.23.

Figure 4.23: Ex-staff views on statement 1.2

The majority of the respondents feel that staff is valued and treated fairly by the management. Unfortunately, the question raised two issues (i.e. being valued and treated fairly). This has resulted in some of the ex-staff being uncertain on this issue. Their comments are that they agree that they were treated fairly by management but they do not believe that they were valued by the management.

4.3.1.3 Statement 1.3:

a) The Management views on this statement “MZK strives for honesty and integrity” are shown in Figure 4.24.

Figure 4.24: Management views on statement 1.3

b) The Staff views on this statement, “MZK strives for honesty and integrity” are shown in Figure 4.25.
c) The views of Ex-staff on this statement, “MZK strived for honesty and integrity” are shown in Figure 4.26.

On statement 1.3, the majority of the respondents agree that the company strives for honesty and integrity.

4.3.1.4 Statement 1.4:

a) The Management views on this statement, “We always ensure that there are high levels of trust within the organisation” are shown in Figure 4.27.
b) The Staff views on this statement, “I trust the management and other employees of the organisation” are shown in Figure 4.28.

![Staff views on statement 1.4](image1)

On statement 1.4, the majority of the respondents believe that the levels of trust within the organisation are high. This also confirms the comment made above that the employees of MZK feel part of a family.

4.3.1.5 Statement 1.5:

a) The Management views on this statement, “At MZK we all share the same values and vision about the organisation” are shown in Figure 4.30.
b) The Staff views on this statement, “I relate to the values and vision of the organisation” are shown in Figure 4.31.

Figure 4.31: Staff views on statement 1.5

The majority of the respondents agree that they relate to the values and vision of the organisation.
4.3.2 Section B2- Leadership

4.3.2.1 Statement 2.1:

a) The Management views on this statement, “We inspire our staff by sharing the expertise and knowledge we have” are shown in Figure 4.33.

Figure 4.33: Management views on statement 2.1

b) The Staff views on this statement, “I'm inspired by the level of the expertise and knowledge my seniors and management have” are shown in Figure 4.34.

Figure 4.34: Staff views on statement 2.1

Figure 4.35: Ex-staff views on statement 2.1
c) The Ex-staff views on this statement, “I was inspired by the level of the expertise and knowledge my seniors and management have” are shown in Figure 4.35.

The response to on statement 2.1 was unanimous as shown in Figures 4.33 to 4.35.

4.3.2.2 Statement 2.2:

a) The Management views on this statement, “I am always friendly towards staff” are shown in Figure 4.36.

Figure 4.36: Management views on statement 2.2

b) The Staff views on this statement, “MZK management is always friendly towards staff” are shown in Figure 4.37.

Figure 4.37: Staff views on statement 2.2

c) The Ex-staff views on this statement, “MZK management was always friendly towards staff” are shown in Figure 4.38.
All parties are in agreement on statement 2.2. MZK consulting being a small company seems to run as a family as highlighted in statement 1.1, therefore the friendship bonds between staff and management seem to be high. This is important for staff motivation in-terms of the work environment.

4.3.2.3 Statement 2.3:

a) The Management views on this statement, “I care about the needs of the employees” are shown in Figure 4.39.
b) The Staff views on this statement, “Management cares about my needs” are shown in Figure 4.40.

c) The Ex-staff views on this statement, “Management cared about my needs” are shown in Figure 4.41.

The respondents are divided on statement 2.3, with the ex-staff mostly in disagreement. Approximately 86 per cent of the staff respondents have been with the company for a few years (0-4 years). On the other hand, 80 per cent of the ex-staff had been with MZK for more than 4 years. This could be a temporary tolerance where the current staff have not realised whether management does care about their needs or not.

4.3.2.4 Statement 2.4:

a) The Management views on this statement, “I use my high position to get staff to do their work” are shown in Figure 4.42.
b) The Staff views on this statement, “Managers use their high position to get the work done by staff” are shown in Figure 4.43.

Figure 4.43: Staff views on statement 2.4

The results on statement 2.4 are mixed. The management seem to be uncertain with some of them disagreeing to the statement, while 53 per cent agree to the statement. The question could have misinterpreted.

4.3.2.5 Statement 2.5:

a) The Management views on this statement, “Sharing the vision of the organisation with staff motivates them” are shown in Figure 4.45.
b) The Staff views on this statement, “Management’s vision about the future of the organisation motivates me” are shown in Figure 4.46.

b) The Staff views on this statement, “Management’s vision about the future of the organisation motivates me” are shown in Figure 4.46.

There seems to be a lot of uncertainty on this issue of vision. As it can be seen from the table and bar graphs above, even management is divided. To the knowledge of the author, the firm does not have a formal vision statement that it always abides by. The only vision statement comes from management during annual report meetings and this constantly changes depending on how the
company is performing. This may result in less focused staff due to a lack of clear vision from the management. This could also lead to demotivation of staff.

4.3.2.6 Statement 2.6:

a) The Management views on this statement, “I am very open and honest” are shown in Figure 4.48.

Figure 4.48: Management views on statement 2.6

b) The Staff views on this statement, “Management is very open and honest” are shown Figure 4.49.

Figure 4.49: Staff views on statement 2.6

Figure 4.50: Ex-staff views on statement 2.6
c) The Ex-staff views on this statement, “Management was very open and honest” are shown in Figure 4.50.

The majority of management respondents believe that they are always honest and open. The response from the staff is widespread with 60 per cent of the staff agreeing to the statement, while 60 per cent of the ex-staff disagree.

4.3.3. Section B3 - Communication

4.3.3.1 Statement 3.1

a) The Management views on this statement, “Staff can discuss anything with me” are shown Figure 4.51.

Figure 4.51: Management views on statement 3.1

b) The Staff views on this statement, “I can discuss anything with management” are shown in Figure 4.52.

Figure 4.52: Staff views on statement 3.1
c) The Ex-staff views on this statement, “I could discuss anything with management” are shown in Figure 4.53.

The majority of the respondents feel that they can discuss everything with each other. Only 7 per cent of the staff disagree, while 27 per cent are uncertain.

4.3.3.2 Statement 3.2:

a) The Management views on this statement, “I frequently give feedback to the employees” are shown in Figure 4.54.

b) The Staff views on this statement, “I frequently get feedback from my manager” are shown in Figure 4.55.

c) The Ex-staff views on this statement, “I frequently got feedback from my manager” are shown in Figure 4.56.
The response to statement 3.2 is non-conclusive. Approximately 55 per cent of the management believe that they do give feedback to staff. The staff respondents are divided, with 60 per cent of the respondents agreeing to the statement while 40 per cent are uncertain and disagree. The ex-staff response is also closely divided with 60 per cent in agreement and 40 per cent in disagreement.

Frequent feedback is important for staff motivation. The management needs to pay attention to this all the time.

4.3.3.3 Statement 3.3:

a) The Management views on this statement, “I give compliments for good performance” are shown in Figure 4.57.

b) The Staff views on this statement, “I get compliments for good performance” are shown in Figure 4.58.
c) Ex-staff views on this statement, “I got compliments for good performance” are shown in Figure 4.60.

The management and ex-staff are in agreement on statement 3.3, while the staff respondents are divided, with 60 per cent in agreement.

4.3.3.4 Statement 3.4:

a) The Management views on this statement, “We always tell staff why they are getting bonuses or pay increases” are shown in Figure 4.60.
b) The Staff views on this statement, “Management always tells me why I am getting a bonus or a pay increase” are shown in Figure 4.61.

Figure 4.60: Management views on statement 3.4

Figure 4.61: Staff views on statement 3.4

c) The Ex-staff views on this statement, “Management always told me why I was getting a bonus or a pay increase” are shown in Figure 4.62.

Figure 4.62: Ex-staff views on statement 3.4

The majority of the respondents agree to statement 3.4. The division in the management response could be related to the fact that only seven of the nine respondents are directly involved with salary issues.
4.3.3.5 Statement 3.5:

a) The Management views on this statement, “We always inform staff about how the company is performing” are shown in Figure 4.63.

Figure 4.63: Management views on statement 3.5

b) The Staff views on this statement, “Management always informs staff how the company is performing” are shown in Figure 4.64.

Figure 4.64: Staff views on statement 3.5

c) The Ex-staff views on this statement, “Management always informed staff how the company is performing” are shown in Figure 4.65.

Figure 4.65: Staff views on statement 3.5
The results of statement 3.5 are not conclusive. The management respondents believe that they do give feedback to staff. The response from the staff shows that only 53 per cent are in agreement with the statement and the management views, while 47 per cent are uncertain and disagree. The ex-staff respondents are also closely divided, with 60 per cent agreeing and 40 per cent disagreeing.

4.3.3.6 Statement 3.6

a) The Management views on this statement, “All our employees know what is the vision, mission and goals of the organisation” are shown in Figure 4.66.

![Figure 4.66: Management views on statement 3.6](image)

b) The Staff views on this statement, “I know what the vision, mission and goals of the organisation are” are shown in Figure 4.67.

![Figure 4.67: Staff views on statement 3.6](image)

c) The Ex-staff views on this statement, “I knew what the vision, mission and goals of the organisation were” are shown in Figure 4.68.
The results of statement 3.6 are uncertain with even the management being divided. This is due to the fact that the company does not have a formal vision and mission statement.

4.3.3.7 Statement 3.7:

a) The Management views on this statement, “Staff ideas and opinions are valued by management” are shown in Figure 4.69.

b) The Staff views on this statement, “My ideas and opinions are valued by management” are shown Figure 4.70.

c) The Ex-staff views on this statement, “My ideas and opinions were valued by management” are shown in Figure 4.71.
The majority of the management respondents agree to statement 3.7. The staff respondents are closely divided with 53 per cent agreeing and 47 per cent uncertain and disagreeing. The results from ex-staff are also non-conclusive.

4.3.4. Section B4- Performance Management

4.3.4.1 Statement 4.1:

a) The Management views on this statement, “We ensure that staff have access to all the tools they need to perform their jobs” are shown in Figure 4.72.
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b) The Staff views on this statement, “I have all the tools to perform my job” are shown in Figure 4.73.

Figure 4.73: Staff views on statement 4.1

![Graph showing Staff views on statement 4.1]

7%   73%   13%   7%   0%   20%   40%   60%   80%   100%
Strongly Agree   Agree   Uncertain   Disagree   Strongly Disagree

All the respondents agree that staff have access to all the necessary tools to do their work. This is one of the important basics for the motivation of staff, for without the necessary tools, staff could become demotivated in their jobs.

4.3.4.2 Statement 4.2:

a) The Management views on this statement, “We always explain to staff what is expected of them” are shown in Figure 4.75.

b) The Staff views on this statement, “I know exactly what is expected of me” are shown in Figure 4.76.
c) The Ex-staff views on this statement, “I knew exactly what is expected of me” are shown in Figure 4.77.

The majority of the respondents are in agreement with statement 3.4. The staff response is approximately 80 per cent in agreement, while management and ex-staff are at 55 per cent and 60 per cent respectively.
4.3.4.3 Statement 4.3:

a) The Management views on this statement, “We always give feedback to staff about how they are performing” are shown in Figure 4.78.

Figure 4.78: Management views on statement 4.3

b) The Staff views on this statement, “I always get feedback from my management about how I am performing” are shown in Figure 4.80.

Figure 4.79: Staff views on statement 4.3

c) The Ex-staff views on this statement, “I was always given feedback from my management about how I am performing” are shown in Figure 4.80.

The level of uncertainty is very high on this issue between management and staff on statement 4.3. On the other hand, the ex-staff are divided, with 60 per cent agreeing to the statement and 40 per cent in disagreement.

The response by management and the staff is concerning. It is important for staff to be aware of their performance at all times. This enhances their learning experience and helps them to become better and more efficient at their jobs.
4.3.4.4 Statement 4.4:

a) The Management views on this statement, “We reward staff for good performance” are shown in Figure 4.81.

b) The Staff views on this statement, “I get rewarded when I perform well” are shown in Figure 4.82.

c) The Ex-staff views on this statement, “I was rewarded when I performed well” are shown in Figure 4.83.
The response by management and the staff are in disagreement with each other. Management believe that they reward staff for good performance, while staff is uncertain and disagreeing with the statement. The divide between ex-staff is also minimal with 60 per cent in agreement and 40 per cent in disagreement.

4.3.4.5 Statement 4.5:

a) The Management views on this statement, “We always investigate staff preference to ensure that our rewards are meaningful to them” are shown in Figure 4.84.

b) The Staff views on this statement, “The rewards are meaningful to me” are shown in Figure 4.85.

c) The Ex-staff views on this statement, “The rewards were meaningful to me” are shown in Figure 4.86.
The majority of the respondents are uncertain and disagree with statement 4.5. It is a concerning factor to see that even management is uncertain about this issue. The majority of the ex-staff are in disagreement with 60 per cent and 40 per cent agreeing.

4.3.4.6 Statement 4.6:

a) The Management views on this statement, “We ensure that staff receive adequate training to enable them to perform their jobs well” are shown in Figure 4.87
b) The Staff views on this statement, “I receive adequate training to enable me to perform my job well” are shown in Figure 4.88.

![Figure 4.88: Staff views on statement 4.6](image)

The results on statement 4.6 show that there is a lack of training at MZK consulting. All the respondents are in agreement with each other on this statement. Only 11 per cent of management think that the staff receive adequate training. Without adequate basic training, the staff would be less efficient and this may cause frustration and lack of motivation.

4.3.4.7 Statement 4.7:

a) The Management views on this statement, “We ensure that staff receive adequate training to keep them up to date with technology and improve their performance” are shown in Figure 4.90.
b) The Staff views on this statement, “I receive adequate training to keep me up to date with technology and improve my performance” are shown in Figure 4.91.

Figure 4.90: Management views on statement 4.7

Figure 4.91: Staff views on statement 4.7

Figure 4.92: Ex-staff views on statement 4.7

The response to statement 4.7 is similar to that of statement 4.6. Therefore this clearly shows that this item requires attention.
4.3.4.8 Statement 4.8:

a) The Management views on this statement, “Our staff have full-time internet access to help them do work related research” are shown in Figure 4.93.

![Figure 4.93: Management views on statement 4.8](image)

b) The Staff views on this statement, “I have full-time internet access to help me do my work related research” are shown in Figure 4.94.

![Figure 4.94: Staff views on statement 4.8](image)

c) The Ex-staff views on this statement, “I had full-time internet access to help me do my work-related research” are shown in Figure 4.95.

![Figure 4.95: Ex-staff views on statement 4.8](image)
The results show that approximately 50 per cent of the staff do not have full time access to the internet. In the age of technology the internet makes it very easy to access vital information, which will contribute to the performance and efficiency of the staff. The internet also has disadvantages, such as abuse by staff.

4.3.4.9 Statement 4.9:

a) The Management views on this statement, “Our staff enjoy the type of work they do” are shown in Figure 4.96.

![Figure 4.96 Management views on statement 4.9](image)

b) The Staff views on this statement, “I enjoy the type of work I do at MZK” are shown in Figure 4.97.

![Figure 4.97: Staff views on statement 4.9](image)

c) The Ex-staff views on this statement, “I enjoyed the type of work I did at MZK” are shown in Figure 4.98.
Even though the staff do not receive adequate training and some do not get rewards for good performance, they still enjoy their jobs.

4.3.4.10 statement 4.10:

a) The Management views on this statement, “We give our staff challenging work” are shown in Figure 4.99.

b) The Staff views on this statement, “My work is challenging” are shown in Figure 4.100.

c) The Ex-staff views on this statement, “My work was challenging” are shown in Figure 4.101.

This is a positive response from the respondents. This shows that the staff are satisfied with their jobs.
4.3.5 Section B5 - Managing poor performance

4.3.5.1 Statement 5.1

a) The Management views on this statement, “People who are not performing are notified about their non-performance” are shown in Figure 4.102.

b) The Staff views on this statement, “People who are not performing are notified about their non-performance” are shown in Figure 4.103.
c) The Ex-staff views on this statement, “People who were not performing should have been notified about their non-performance” are shown in Figure 4.104.

The response to statement 5.1 is non-conclusive. The majority of management is not certain and some disagree. To be fair, it is better to inform non-performers.

4.3.5.2 Statement 5.2:

a) The Management views on this statement, “People who are not performing must be fired” are shown in Figure 4.105.

b) The Staff views on this statement, “People who are not performing must be dismissed” are shown in Figure 4.106.
c) The Ex-staff views on this statement, “People who were not performing should have been dismissed” are shown in Figure 4.107.

The majority of the respondents disagree with this statement 5.2.

4.3.5.3 Statement 5.3:

a) The Management views on this statement, “People who are not performing must be given a warning” are shown in Figure 4.108.
b) The Staff views on this statement, “People who are not performing must be given a warning” are shown in Figure 4.109.

c) The Ex-staff views on this statement, “People who were not performing should have been given a warning” are shown in Figure 4.110.

The respondents prefer that the non-performers be given a warning rather than being fired. This is in line with their view on statement 5.2.
4.3.5.4 Statement 5.4:

a) The Management views on this statement, “People who are not performing should be given a second chance” are shown in Figure 4.111.

Figure 4.111: Management views on statement 5.4

b) The Staff views on this statement, “People who are not performing should be given a second chance” are shown in Figure 4.112.

Figure 4.112: Staff views on statement 5.4

c) The Ex-staff views on this statement, “People who were not performing should have been given a second chance” are shown in Figure 4.113.

Figure 4.113: Ex-staff views on statement 5.4
The response to statement 5.4 is also in line with statements 5.2 and 5.3.

4.3.5.5 Statement 5.5:

a) The Management views on this statement, “The company must have counselling programmes to assist poor performers” are shown in Figure 4.102.

Figure 4.114: Management views on statement 5.5

b) The Staff views on this statement, “The company must have counselling programmes to assist poor performers” are shown in Figure 4.115.

Figure 4.115: Staff views on statement 5.5

Figure 4.116: Ex-staff views on statement 5.5
c) The Ex-staff views on this statement, “The company should have counselling programmes to assist poor performers” are shown in Figure 4.116.

The staff and management are in disagreement with each other on this issue. Seventy three per cent of the staff believe that there should some type of counselling programme for non performing staff. It is important to note that lack of performance by staff may be temporarily due to certain circumstances that they may experience such as death in the family or divorce, etc. Therefore, counselling them thorough these difficult times may be beneficial to the company.

4.3.6 Section B6 - Terms and Conditions

4.3.6.1 Statement 6.1:

a) The Management views on this statement, “We pay market related salaries” are shown in Figure 4.117.

Figure 4.117: Management views on statement 6.1

b) The Staff views on this statement, “I earn a market related salary” are shown in Figure 4.118.

c) The Ex-staff views on this statement, “I earn a better salary now than I did at MZK” are shown in Figure 4.119.
Again management and staff are in disagreement with each other. The staff respondents are not certain if they are getting market related salaries and 33 per cent do not believe so.. This is also confirmed by the ex-staff which have confirmed that they earn better salaries at their current employer.

4.3.6.2 Statement 6.2:

a) The Management views on this statement, “Our staff are happy with their salaries” are shown in Figure 4.120.
b) The Staff views on this statement, “I am happy with my salary” are shown in Figure 4.121.

Figure 4.121: Staff views on statement 6.1

![Staff views on statement 6.1](image)

40% 33% 27%

0% 20% 40% 60% 80% 100%

Strongly Agree Agree Uncertain Disagree Strongly Disagree

C) The Ex-staff views on this statement, “I was happy with my salary at MZK” are shown in Figure 4.122.

Figure 4.122: Ex-staff views on statement 6.2

![Ex-staff views on statement 6.2](image)

20% 40% 40%

0% 20% 40% 60% 80% 100%

Strongly Agree Agree Uncertain Disagree Strongly Disagree

The response by the staff and the ex-staff is in line with the response shown on statement 6.1. This response is the answer to management’s uncertainty on this issue.

4.3.6.3 Statement 6.3:

a) The Management views on this statement, “Our company benefits are very good (provident fund, medical aid, etc.)” are shown in Figure 4.123.

b) The Staff views on this statement, “I am happy with the benefits (provident fund, medical aid, etc.) at MZK” are shown in Figure 4.124.
Figure 4.123: Management views on statement 6.3

Figure 4.124: Staff views on statement 6.3

c) The Ex-staff views on this statement, “I was happy with the benefits (provident fund, medical aid, etc) at MZK” are shown in Figure 4.125.

Figure 4.125: Ex-staff views on statement 6.3

The results show that 60 per cent of the staff are happy with the company benefits that they have. The ex-staff were also happy with their benefits at the company.
4.3.6.4 Statement 6.4:

a) The Management views on this statement, “We prefer that staff use their own vehicles for business travel” are shown in Figure 4.126.

Figure 4.126: Management views on statement 6.4

b) The Staff views on this statement, “I prefer using my own vehicle for business travel” are shown in Figure 4.127.

Figure 4.127: Staff views on statement 6.4

c) The Ex-staff views on this statement, “I was happy to use my own vehicle for business travel” are shown in Figure 4.128.

Figure 4.128: Ex-staff views on statement 6.4
4.3.6.5 Statement 6.5

a) The Management views on this statement, “I believe that there is a lack of transparency when it comes to salaries at MZK” are shown in Figure 4.129.

Figure 4.129: Management views on statement 6.5

b) The Staff views on this statement, “I believe that there is a lack of transparency when it comes to salaries at MZK” are shown in Figure 4.130.

Figure 4.130: Staff views on statement 6.5

c) The Ex-staff views on this statement, “I believe that there was a lack of transparency when it came to salaries at MZK” are shown in Figure 4.131.

Figure 4.131: Ex-staff views on statement 6.5
Thirty three per cent of the management respondents agree with statement 6.5, while 44 per cent are in disagreement. Twenty two per cent of the management and ex-staff and 40 per cent of staff are neutral on this issue. On the other hand, 80 per cent of the ex-staff believe that there was a lack of transparency.

As mentioned in chapter 2, management should be aware that staff do discuss how much they earn and unjustifiable differences in salaries could create unhappiness among staff.

4.3.6.6 Statement 6.6:

a) The Management views on this statement, “Money is the only motivator for staff” are shown in Figure 4.102.

b) The Staff views on this statement, “Money is the only motivator for me” are shown in Figure 4.133.
c) The Ex-staff views on this statement, “Money is the only motivator for me” are shown in Figure 4.134.

The response to statement 6.6 confirms the approach done in this study. It is important to note that money is not the only solution to ensure that staff are satisfied, but rather a holistic approach is required.

4.3.7 Section B7 - Promotion, Development and Talent management

4.3.7.1 Statement 7.1

a) The Management views: “There is equal opportunity for promotion at MZK” are shown in Figure 4.135.

b) The Staff views on this statement, “There is equal opportunity for promotion at MZK” are shown in Figure 4.136.
c) The Ex-staff views on this statement, “There were equal opportunities for promotion at MZK” are shown in Figure 4.137.

The response by the management respondents is divided, with 53 per cent agreeing, 22 per cent uncertain and 22 per cent disagreeing with the statement. Only 14 per cent of staff respondents agree to the statement and the rest are uncertain and disagree. The level of uncertainty may be linked to the level of communication that is done by management to staff on this issue. The ex-staff share the same views as the staff respondents.
4.3.7.2 Statement 7.2:

a) The Management views on this statement, “At MZK career paths are made clear to staff” are shown in Figure 4.138.

![Management views on statement 7.2](image1)

b) The Staff views on this statement, “My career path at MZK is clear” are shown in Figure 4.139.

![Staff views on statement 7.2](image2)

c) The Ex-staff views on this statement, “My career path at MZK was clear” are shown in Figure 4.140.

![Ex-staff views on statement 7.2](image3)
The results of statement 7.2 confirm what was suggested on the comments made by the author on statement 7.1 about the lack of communication on these issues of career advancement and promotions.

4.3.7.3 Statement 7.3:

a) The Management views on this statement, “Staff stand to gain vast engineering experience at MZK than at other companies in the industry” are shown in Figure 4.141.

Figure 4.141: Management views on statement 7.3

b) The Staff views on this statement, “I stand to gain vast engineering experience at MZK than at other companies in the industry” are shown in Figure 4.142.

Figure 4.142: Staff views on statement 7.3

c) The Ex-staff views on this statement, “I stood to gain vast engineering experience at MZK than at other companies in the industry” are shown in Figure 4.143.
Figure 4.143: Ex-staff views on statement 7.3

The management and the staff are in agreement on statement 7.3. But the response from the ex-staff does not confirm their views as 60 per cent is uncertain.

4.3.7.4 Statement 7.4:

a) The Management views on this statement, “Further studies (BTech, Hons, BCom) help staff to further their careers at MZK” are shown in Figure 4.144.

Figure 4.144: Management views on statement 7.4

b) The Staff views on this statement, “Further studies (BTech, Hons, and BCom) has or will help me further my career at MZK” are shown in Figure 4.145.

c) The Ex-staff views on this statement, “Further studies (BTech, Hons, and BCom) helped me further my career at MZK” are shown in Figure 4.146.
Management all agree that it is important for employees to study further. The level of uncertainty from staff respondents may also be due to lack of communication.

4.3.7.5 Statement 7.5:

a) The Management views on this statement, “We make our staff aware of the promotion criteria used by MZK management” are shown in Figure 4.147.

b) The Staff views on this statement, “I am aware of the promotion criteria used by MZK management” are shown in Figure 4.148.
c) The Ex-staff views on this statement, “I was aware of the promotion criteria used by MZK management” are shown in Figure 4.149.

These results are in line with the results in statements 7.1 and 7.2. At this point it is important to refer to the literature discussed in chapter 2. The literature revealed that it is sometimes difficult for managers to make promotion promises to staff in case they are unable to fulfil them, which may lead to disappointment and lack of trust.

4.3.8 Section D - General (Other comments)

4.3.8.1. In this section the respondents were asked to comments on the following question:
“What other improvements do you think should be considered to make MZK employees happier?”

a) Management comments:

- Provision of a good work environment.
- Higher salaries, improved training and social responsibility by firm
- Ensuring that market equivalent salaries are paid
- More structured training, feedback and assessment systems

b) Staff comments:

- Effort should be made to allow staff to learn and improve their expertise by sending them on relevant courses
- A better percentage of salary increase for a start would mean a lot.
- Sense of belonging, integrity, achievement awards
- I am happy the way things are
- More opportunities to attend courses in our related fields could be helpful to give a better design to our clients and boost our own knowledge.
- Skills transfer and design techniques sessions to be held every two months.
- Any company cannot afford to cater for a single employee’s happiness. It remains your own responsibility. Perhaps a better guidance on how to qualify/improve yourself as to profit share, leadership positions.
- The social weekends between staff in all offices should be increased
- Personally I would like to get more training and be more involved in doing projects at the moment I’m not satisfied with the way I was involved in terms of doing a project ever since I came to MZK.
- Project feedback on a more regular basis. Salary increase
- Honesty, motivation, performance judgment & performance accreditation.
- Clear career path and training
c) Ex-staff comments:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>None. I was extremely happy at MZK</td>
<td></td>
</tr>
<tr>
<td>Just a little increase in salary would have made me happy to stay at MZK. I was not expecting MZK to double my salary. All I ever wanted from MZK was just a little increase so that I could be able to pay my bills. Apart from my salary issue all was perfect at MZK. Work itself, work environment, relationship with management and colleagues. All was great.</td>
<td></td>
</tr>
<tr>
<td>No room for growth/promotion. Salaries that were not market-related. Rigid, conservative system, that didn't take employees' opinions seriously. Poor feedback system or career path. Incentive bonus scheme/shares not made available to most employees, regardless of performance.</td>
<td></td>
</tr>
<tr>
<td>I was happy at MZK. The scope of work could have been broadened to include other services not offered at MZK-PE and people allocated projects in different services on a rotational basis, so that they do not get bored. Generally the industry was not performing when I left consulting and the frustration of the down period does get to employees. The Company cannot do anything with the influences of the Economic factor (external influences on an organisation).</td>
<td></td>
</tr>
<tr>
<td>A clear understanding of my career path within the company would have made me feel as if the company had a plan for me. MZK did not inform me as to whether my performance was satisfactory or not as there were never performance evaluations done. We were never told of the actual performance of the company, as we were always told that dark times were looming. A better salary would also have been good.</td>
<td></td>
</tr>
</tbody>
</table>
4.3.8.2. In this section the respondents were asked to comment on the following question:

“In your own opinion, what factors influence employees to leave MZK?”

a) Management comments:

<table>
<thead>
<tr>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money and perceived better opportunity.</td>
</tr>
<tr>
<td>Money. Individual not suited to the needs of the job.</td>
</tr>
<tr>
<td>Work environment and salaries</td>
</tr>
<tr>
<td>Salaries and high work load</td>
</tr>
<tr>
<td>Salary offers</td>
</tr>
<tr>
<td>I think its personal issues and human nature i.e. if someone gets promoted that is when you see other experienced personnel leave</td>
</tr>
<tr>
<td>It’s a sellers market due to the shortage of engineers and an increasing work load, firms are buying expertise at inflated rates (great short term opportunities for job hoppers). Certain staff don’t meet criteria for advancement and when they realise they are not progressing they move on</td>
</tr>
</tbody>
</table>

b) Staff comments:

<table>
<thead>
<tr>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; lack of training</td>
</tr>
<tr>
<td>Financial motivation</td>
</tr>
<tr>
<td>Personal growth, acknowledgement, and salaries</td>
</tr>
<tr>
<td>Some are being promised higher positions at other firms, and just a change of environment</td>
</tr>
<tr>
<td>Money and promotion</td>
</tr>
<tr>
<td>Employees have different needs and goals. Majority of employees would leave any company for competitive remuneration.</td>
</tr>
<tr>
<td>They receive better propositions from other companies.</td>
</tr>
<tr>
<td>Better salaries in cities like Johannesburg and Cape Town.</td>
</tr>
<tr>
<td>I will reflect on what I have experienced personally. First I’m not happy with my training on doing projects. Second it’s the money, I believe that I should get more than what I’m getting because I have a B-Tech and I</td>
</tr>
</tbody>
</table>
think I should be paid a similar salary compared to other fellow engineers working in other companies.

- Employees have different needs and goals. Majority of employees would leave any company for competitive remuneration.
- Salary too low
- Salaries, career and personal growth.
- Change of occupancy, higher salaries or better benefits or family relocation

c) Ex-staff comments

- For me personally, it was a financial issue. The people and the work that I was involved with was great. I really did enjoy it there. The financial situation was a difficult one to overcome between the company and myself due to my lack of qualifications and the pay scale that I was on. It couldn't be increased to suit my personal needs. If this was not an obstacle at the time, I'm almost certain that I would still be at MZK.
- The manner in which the management responded to us when we tabled our issues. For instance, I approach MZK management several times with the issue of salary but they showed no interest in my case. They do not give you a chance to speak your mind as far as your salary is concerned like they do with other issues. When it comes to salary they have a tendency to show this "don't care character". "Don't care character" meaning that "you can leave if you want to and we will get somebody else".
- Influences differ. Others immigrate to overseas countries; others want to experience different environments and challenges, while others leave to get their salaries raised. Thus there is no single reason.
- No clear career path; personally it felt like I had no chance of advancing within the organisation. Not being valued for your contributions as it does not seem to be a necessity to retain experienced personnel - there are "gazillions" out there who can take our place. Salary does play a part in the decision to leave.
Figures 4.150 and 4.151 below summarise the issues raised on the comments made in question 1 and 2 of this section:

Figure 4.150: Summary of comments by staff

Figure 4.151: Summary of comments by management
4.3.9 Section C - Knowledge management

4.3.9.1 Statement 1:

a) The Management views on this statement, “I share the knowledge that I have with other engineers” are shown in Figure 4.152.

Figure 4.152: Management views on statement 9.1

b) The Staff views on this statement, “I share the knowledge that I have with other engineers” are shown in Figure 4.153.

Figure 4.153: Staff views on statement 9.1

4.3.9.2 Statement 2:

a) The Management views on this statement, “Other engineers are always willing to share their knowledge with others” are shown in Figure 4.154.

b) The Staff views on this statement, “Other engineers are always willing to share their knowledge with me” are shown in Figure 4.155.
Information converted to knowledge is critical in the engineering industry. These results, in this statement and the previous statement, show that the culture of sharing at MZK consulting is at high levels. This is a positive result.

By promoting a culture of sharing the firm will reduce the risk of losing some of this high value asset (knowledge) when certain employees decide to leave the company.

4.3.9.3 Statement 3:

a) The Management views on this statement, “All the necessary SABS design guides are available in our office” are shown in Figure 4.156.

b) The Staff views on this statement, “All the necessary SABS design guides are available in our office” are shown in Figure 4.157.
Management is divided on the question of whether all the necessary design guides are available to staff. On the other hand staff respondents seem to think that they have all the necessary guides. This could be linked to the experience of the staff respondents. The staff may require less guidelines based on their job description and responsibility, therefore it is up to management to ensure that these SABS design guides are known and may be available to staff at all times.

4.3.9.4 Statement 4:

a) The Management views on this statement, “I frequently use the SABS design guides when doing designs” are shown in Figure 4.158.

b) The Staff views on this statement, “I frequently use the SABS design guides when doing designs” are shown in Figure 4.159.
4.3.9.5 Statement 5:

a) The Management views on this statement, “The SABS design guides are very useful” are shown in Figure 4.160.

b) The Staff views on this statement, “The SABS design guides are very useful” are shown in Figure 4.161.
Chapter 4

Figure 4.161: Staff views on statement 9.5

![Bar graph showing staff views on statement 9.5]

The response to statements 4 and 5, show that the respondents do use the SABS guidelines and felt that they are useful to them.

4.3.9.6 Statement 6:

a) The Management views on this statement, “Having access to standard drawings and specification from other offices would help less experienced staff with their designs” are shown in Figure 4.162.

![Bar graph showing management views on statement 9.6]

b) The Staff views on this statement, “Having access to standard drawings and specification from other offices would help with my designs” are shown in Figure 4.163.

![Bar graph showing staff views on statement 9.6]
4.3.9.7 Statement 7

a) The Management views on this statement, “Knowing who has the best expertise on certain engineering disciplines within the organisation would be helpful” are shown in Figure 4.164.

![Figure 4.164: Management views on statement 9.7]

b) The Staff views on this statement, “Knowing who has the best expertise on certain engineering disciplines within the organisation would be helpful” are shown in Figure 4.165.

![Figure 4.165: Staff views on statement 9.7]

The response to statements 6 and 7 is in line with the results shown on statements 1 and 2. The respondents feel that it is important to share information within and with other offices.

4.3.9.8 Statement 8:

a) The Management views on this statement, “An annual "lessons learnt" workshop between all the offices will speed up the process of learning” are shown in Figure 4.166.
Figure 4.166: Management views on statement 9.8

b) The Staff views on this statement, “An annual "lessons learnt" workshop between all the offices will speed up the process of learning” are shown in Figure 4.167.

Figure 4.167: Staff views on statement 9.8

All the respondents agree that workshops would be of value in the learning process of the company as a whole.

4.3.9.9 Statement 9:

a) The Management views on this statement, “Employees are required to do design reports for each project” are shown in Figure 4.168.

Figure 4.168: Management views on statement 9.9
b) The Staff views on this statement, “I write design reports for all my projects” are shown in Figure 4.169.

The results show that generally design reports are not done. The company should encourage the compilation of design reports. Design reports could be used as a tool to guide other engineers involved in similar projects in the future.

4.4 INTERVIEW RESULTS ON KNOWLEDGE MANAGEMENT

Three senior engineers from the firm were interviewed over the telephone. There were seven questions posed to the interviewees and the results of the interviews are summarised below.

1. How did you acquire your expertise and knowledge?

The respondents indicated that they had gained their experience from:

- Drawing knowledge from senior engineers;
- Site exposure;
- Reading journals and general engineering magazines;
- Encourage continuous learning; and
- Using design guides.
2. Do you think this knowledge and expertise can be documented?

The respondents all agreed that this can be done.

3. What do you think are the best or possible ways for documenting this knowledge?

The respondents suggested that a design guide or best practices documents should be complied. Others suggested that these should be per services (e.g. electrical, medical gas, fire detection, etc.)

The respondents emphasised that these documents should be very brief and users should not use them as bibles, but rather as guides. Therefore, engineers would still be required to apply their engineering knowledge and expertise whilst doing designs.

4. What other methods do you think should be applied to fast track the learning of less experienced engineers?

The following were some of the suggestions made by the respondents:

- Junior engineers should be assigned to more senior engineers (some of the respondents referred to this as mentoring or apprenticeship);
- Basic design sheets should be developed with adequate information to guide a junior engineer to complete some of the time-consuming but necessary engineering tasks, such as lightning designs, load calculations for distributions boards, etc. This will ensure that engineers have more time to do high-level design while mentees are getting to grips with the basics; and
- One of the respondents suggested that this mentoring/learning process should be outcome based. Therefore, the learning should be measurable after a given period.
5. What could be the easiest method of sharing lessons learnt on projects?

There were a number of suggestions made on this item and the following are some of them:

- Forums/Indabas/workshops;
- Regular Email circulation or memo’s; and
- Form part of the quarterly newsletter.

The respondents also highlighted that some engineers may be reluctant to share the bad lessons.

6. Would you be in a position to help the organisation in compiling documents such as best practices, design guides, etc.?

On this question most of the respondents were willing to help, but felt that due to their work load it would be very difficult for them to complete these documents. They felt that this should be given to a retired engineer who will focus mainly on this. They also suggested that the firm should also give financial support to this type of work.

7. Do you think the compilation of these documents (in item 6) would be of value to the organisation?

All the respondents agreed that it would of great value to the company.

4.5 CONCLUDING REMARKS

The response to the questions and statements was answered with honesty and consistency. The comments made by all the respondents were very comprehensive.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

In this chapter the author will seek to provide solutions to the main problem and the sub-problem of this study. The chapter will also provide recommendations based on the findings of this research.

5.2 RESOLUTION OF THE MAIN PROBLEM

The main problem posed in chapter one of this research was:

How can MZK Consulting retain talented employees and its intellectual capital?

These were the sub-problems to the main problem:

- What does literature reveal regarding retention of employees and knowledge management?
- What are the perceptions of staff and management on factors that make employees leave or stay in a company?
- What strategies can the company implement to reduce the rate of staff turnover and retain its intellectual capital?

The first sub-problem was addressed in chapter two, where different theoretical strategies were discussed. The second sub-problem was addressed by the chapter four. In this chapter the third sub-problem will be resolved by putting forward recommendations that are based on the literature review and the results in chapter four. By solving the three sub-problems, the main problem would therefore be resolved.
5.3 PROBLEMS AND LIMITATIONS

There were no major problems and limitations encountered during the research. The only issue was the lack of interest by older staff members of the firm. They believed that the company was too small to be concerned about formal retention strategies. These strong beliefs caused them not to participate in the survey (they did not return their questionnaires).

5.4 FINDINGS OF THE RESEARCH PROJECT

The results of this research reveal the following.

Organisational culture and values: The results discussed in chapter 4 revealed that the company has a good organisational culture and values where all the employees feel part of the company. The respondents believe that there are high levels of trust, honesty and integrity at the company.

Leadership: Most of the staff are generally happy with the leadership of the company. The management is seen as being honest and open to staff. The results also show that the staff is inspired by the management and the working relationship with management was good, but the staff is not convinced that management care enough about their needs.

Communication: The results of this study showed that the company has poor communication with staff. Ongoing feedback to staff is lacking. The staff are not aware of the mission and vision statement of the company. Compliments on good performance are minimal.

Performance management: The company is doing good in some areas of this section and bad in some. The good: staff have all the resources they need to perform their jobs. The staff enjoy their jobs and they also find them challenging.
The bad: the respondents believe that there is a lack of training. The feedback on performance is poor (which relates to the general communication issues discussed above). The respondents do not believe that good performance is rewarded.

**Managing poor performance:** The results on this issue were not conclusive. Generally the respondents feel that non-performers are not informed. They believe that non-performers should be warned and be given a second chance to improve their performance.

**Terms and conditions:** The staff are not happy with their salaries, but they also believe that money is not the only motivator for them.

**Promotion, development and talent management:** The career paths of staff are not clear. The staff respondents are also not sure if studying is going to improve their career prospects at the company. The company’s promotion criteria is not clear to staff.

**Knowledge management:** The results showed that the company has a culture of information sharing. Most of the respondents believe that initiatives such as workshops will improve the sharing of information.

The results of the interviews showed that the company’s knowledge can be documented. They also confirmed that documenting this knowledge would be beneficial to the company.

**5.5 RECOMMENDATIONS**

Based on the results shown in chapter four and the literature review in chapter two, the following recommendations have been formulated:

- Improve communication with staff by having regular feedback. The staff should always be complimented for good performance;
Chapter 5

- The company should develop a mission and vision statement and staff always be made aware of it;
- The company should set up a formal performance management system. This will also assist the company with communication to staff on an individual basis. This will also ensure that good performance is rewarded fairly;
- Provide more training for staff. Formal mentoring should be put in place to improve on-the-job training;
- Improvement of salary structures and findings innovative means of packaging the salaries to make them more attractive;
- With a good performance management system in place, management should use the performance feedback meetings to communicate career paths with staff on a regular basis;
- The management must develop a promotion criteria policy and make the staff aware of it. It will also be critical to ensure that all managers follow this policy once in place.
- Workshops between offices should be held on a yearly basis to promote information sharing. Other regular communication channels such as email and newsletters should be also used to communicate lessons learnt by the different offices; and
- The company should appoint a person to develop design guidelines for the different engineering disciplines.

5.6 CONCLUDING REMARKS

With the current situation of skills shortage and the construction boom in South Africa it would be very difficult for any company to eliminate staff turnover. This is one of the reasons that the study investigated the issue of retention strategies for both staff and knowledge.

The approach of knowledge management seeks to minimise the loss of company knowledge. In a case where staff do leave due to circumstances beyond the
management’s control, at least the knowledge of the company will not leave with them.
REFERENCE LIST


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APPENDIX A

QUESTIONS FOR THE STRUCTURED INTERVIEW

<table>
<thead>
<tr>
<th>SECTION A - KNOWLEDGE MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How did you acquire your expertise and knowledge?</td>
</tr>
<tr>
<td>2. Do you think this knowledge and expertise can be documented?</td>
</tr>
<tr>
<td>3. What do you think are the best or possible ways of documenting this knowledge?</td>
</tr>
<tr>
<td>4. What other methods do you think should be applied to fast-track the learning of less experienced engineers?</td>
</tr>
<tr>
<td>5. What could be the easiest method of sharing the lessons learnt on projects?</td>
</tr>
<tr>
<td>6. Would you be in a position to help the organisation in compiling documents such as “best practises”, “design guides”, etc?</td>
</tr>
<tr>
<td>7. Do you think the compilation of these documents (item 6) would be of value to the organisation?</td>
</tr>
</tbody>
</table>
APPENDIX B

QUESTIONNAIRE : MZK STAFF

SECTION A - DEMOGRAPHIC INFORMATION

Please supply the following information by marking with an "X" in the appropriate box.

1 Your gender?
   Male
   Female

2 Are you?
   Asian
   Coloured
   Nguni
   White
   Other (specify) ...........................................................................................................

2 What is your age?
   18-28
   29-38
   39-48
   49-59
   60+

3 What is your highest qualification?
   National diploma
   National higher diploma
   B-Tech
   Bachelor's degree
   M-Tech
   Master's degree
   Other (specify) ...........................................................................................................

4 In which office are you employed?
   Cape Town
   East London
   George
   Port Elizabeth

5 In which department are you employed?
   Electrical
   Mechanical
6 How many years of experience do you have within MZK?

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Blank Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4 years</td>
<td></td>
</tr>
<tr>
<td>5-10 years</td>
<td></td>
</tr>
<tr>
<td>11-20 years</td>
<td></td>
</tr>
<tr>
<td>21-30 years</td>
<td></td>
</tr>
<tr>
<td>31+ years</td>
<td></td>
</tr>
</tbody>
</table>

7 Are you registered as a………..?

<table>
<thead>
<tr>
<th>Registration Level</th>
<th>Blank Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Engineering Technician</td>
<td></td>
</tr>
<tr>
<td>Candidate Engineering Technologist</td>
<td></td>
</tr>
<tr>
<td>Candidate Engineer</td>
<td></td>
</tr>
<tr>
<td>Professional Technician</td>
<td></td>
</tr>
<tr>
<td>Professional Technologist</td>
<td></td>
</tr>
<tr>
<td>Professional Engineer</td>
<td></td>
</tr>
<tr>
<td>Certified Engineer</td>
<td></td>
</tr>
<tr>
<td>Other (Specify)</td>
<td></td>
</tr>
</tbody>
</table>

Other (Specify)……………………………………………………………………..
## SECTION B - RETENTION STRATEGIES

Please supply the following information by marking with an "X" in the appropriate box.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>B1 - Organisational culture and Values</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>I feel welcome and part of the family at MZK.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>I am valued and treated fairly at MZK.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>MZK strives on honesty and integrity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>I trust the management and other employees of the organisation.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1.5</td>
<td>I relate to the values and vision of the organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>B2 - Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>I'm inspired by the level of the expertise and knowledge my seniors and management have.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>MZK management is always friendly towards staff.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Management cares about my needs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Managers use their high position to get the work done by staff.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Management's vision about the future of the organisation motivates me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6</td>
<td>Management is very open and honest.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>B3 - Communication</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>I can discuss anything with management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>I frequently get feedback from my manager.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>I get compliments for good performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Management always tells me why I am getting a bonus or a pay increase.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5</td>
<td>Management always informs staff how the company is performing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.6</td>
<td>I know what the vision, mission and goals of the organisation are.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.7</td>
<td>My ideas and opinions are valued by management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**B4 - Performance management**

4.1 I have all the tools to perform my job.
4.2 I know exactly what is expected of me.
4.3 I always get feedback from my management about how I am performing.
4.4 I get rewarded when I perform well.
4.5 The rewards are meaningful to me.
4.6 I receive adequate training to enable me to perform my job well.
4.7 I receive adequate training to keep me up to date with technology and improve my performance.
4.8 I have full-time internet access to help me do my work related research.
4.9 I enjoy the type of work I do at MZK.
4.10 My work is challenging.

**B5 - Managing poor performance**

5.1 People who are not performing are notified about their non-performance
5.2 People who are not performing must be dismissed.
5.3 People who are not performing must be given a warning.
5.4 People who are not performing should be given a second chance.
5.5 The company must have counselling programmes to assist poor performers.

**B6 - Terms and Conditions**

6.1 I earn a market related salary.
6.2 I am happy with my salary.
6.3 I am happy with the my benefits (provident fund, medical aid, etc.) at MZK.
6.4 I prefer using my own vehicle for business travel.
6.5 I believe that there is a lack of transparency when it comes to salaries at MZK.
6.6 Money is the only motivator for me.
## Appendix B

### B7 - Promotion, Development and Talent management

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>There is equal opportunity for promotion at MZK.</td>
</tr>
<tr>
<td>7.2</td>
<td>My career path at MZK is clear.</td>
</tr>
<tr>
<td>7.3</td>
<td>I stand to gain vast engineering experience at MZK than at other companies in the industry.</td>
</tr>
<tr>
<td>7.4</td>
<td>Further studies (BTEch, Hons, BCom) has or will help me further my career at MZK.</td>
</tr>
<tr>
<td>7.5</td>
<td>I am aware of the promotion criteria used by MZK management.</td>
</tr>
</tbody>
</table>

### SECTION C - KNOWLEDGE MANAGEMENT

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I share the knowledge that I have with other engineers.</td>
</tr>
<tr>
<td>2</td>
<td>Other engineers are always willing share to their knowledge with me.</td>
</tr>
<tr>
<td>3</td>
<td>All the necessary SABS design guides are available in our office.</td>
</tr>
<tr>
<td>4</td>
<td>I frequently use the SABS design guides when doing designs.</td>
</tr>
<tr>
<td>5</td>
<td>The SABS design guides are very useful.</td>
</tr>
<tr>
<td>6</td>
<td>Having access to standard drawings and specifications from other offices would help with my designs.</td>
</tr>
<tr>
<td>7</td>
<td>Knowing who has the best expertise on certain engineering disciplines within the organisation would be helpful.</td>
</tr>
<tr>
<td>8</td>
<td>An annual &quot;lessons learnt&quot; workshop between all the office will speed up the process of learning.</td>
</tr>
<tr>
<td>9</td>
<td>I write design reports for all my projects.</td>
</tr>
</tbody>
</table>

### SECTION D - GENERAL

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What other improvements do you think should be considered to make you happier at MZK?</td>
</tr>
<tr>
<td>2</td>
<td>In your own opinion, what factors influences employees to leave MZK?</td>
</tr>
</tbody>
</table>
APPENDIX C

QUESTIONNAIRE: MANAGEMENT

SECTION A - DEMOGRAPHIC INFORMATION

Please supply the following information by marking with a "X" in the appropriate box.

1 Your gender?
   Male
   Female

2 What is your age?
   18-28
   29-38
   39-48
   49-59
   60+

3 Are you an/a ............engineer?
   Electrical
   Mechanical

4 How many years have you been with MZK?
   0-4 years
   5-10 years
   11-20 years
   21-30 years
   31+ years

5 How many years have been part of MZK management?
   0-4 years
   5-10 years
   11-20 years
   21+ years
# SECTION B - RETENTION STRATEGIES

Please supply the following information by marking with a "X" in the appropriate box.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>B1 - Organisational culture and Values</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Our staff are welcomed as part of the MZK family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>We value and treat staff fairly here at MZK.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>MZK strives for honesty and integrity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>We always ensure that there are high levels of trust within the organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>At MZK we all share the same values and vision about the organisation.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>B2 - Leadership</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.1</td>
<td>We inspire our staff by sharing the expertise and knowledge we have.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.2</td>
<td>I am always friendly towards staff.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.3</td>
<td>I care about the needs of the employees</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.4</td>
<td>I use my high position to get staff to do their work.</td>
<td></td>
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</tr>
<tr>
<td>2.5</td>
<td>Sharing the vision of the organisation with staff motivates them.</td>
<td></td>
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</tr>
<tr>
<td>2.6</td>
<td>I am very open and honest.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>B3 - Communication</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3.1</td>
<td>Staff can discuss anything with me.</td>
<td></td>
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</tr>
<tr>
<td>3.2</td>
<td>I frequently give feedback to the employees.</td>
<td></td>
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<tr>
<td>3.3</td>
<td>I give compliments for good performance.</td>
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<tr>
<td>3.4</td>
<td>We always tell staff why they are getting bonuses or pay increases.</td>
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</tr>
<tr>
<td>3.5</td>
<td>We always inform staff about how the company is performing.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3.6</td>
<td>All our employees know what the vision, mission and goals of the organisation are.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.7</td>
<td>Staff ideas and opinions are valued by management.</td>
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</tr>
</tbody>
</table>
### B4 - Performance management

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>We ensure that staff have access to all the tools they need to perform their jobs.</td>
</tr>
<tr>
<td>4.2</td>
<td>We always explain to staff what is expected of them.</td>
</tr>
<tr>
<td>4.3</td>
<td>We always give feedback to staff about how they are performing.</td>
</tr>
<tr>
<td>4.4</td>
<td>We reward staff for good performance.</td>
</tr>
<tr>
<td>4.5</td>
<td>We always investigate staff preference to ensure that our rewards are meaningful to them.</td>
</tr>
<tr>
<td>4.6</td>
<td>We ensure that staff receive adequate training to enable them to perform their jobs well.</td>
</tr>
<tr>
<td>4.7</td>
<td>We ensure that staff receive adequate training to keep them up-to-date with technology and improve their performance.</td>
</tr>
<tr>
<td>4.8</td>
<td>Our staff have full-time internet access to help them do work related research.</td>
</tr>
<tr>
<td>4.9</td>
<td>Our staff enjoy the type of work they do.</td>
</tr>
<tr>
<td>4.10</td>
<td>We give our staff challenging work</td>
</tr>
</tbody>
</table>

### B5 - Managing poor performance

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<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>5.1</td>
<td>People who are not performing are notified about their non-performance.</td>
</tr>
<tr>
<td>5.2</td>
<td>People who are not performing must be fired.</td>
</tr>
<tr>
<td>5.3</td>
<td>People who are not performing must be given a warning.</td>
</tr>
<tr>
<td>5.4</td>
<td>People who are not performing should given a second chance.</td>
</tr>
<tr>
<td>5.5</td>
<td>The company must have counselling programmes to assist poor performers.</td>
</tr>
</tbody>
</table>

### B6 - Terms and Conditions

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<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>6.1</td>
<td>We pay market related salaries.</td>
</tr>
<tr>
<td>6.2</td>
<td>Our staff are happy with their salaries.</td>
</tr>
<tr>
<td>6.3</td>
<td>Our company benefits are very good (provident fund, medical aid, etc.).</td>
</tr>
<tr>
<td>6.4</td>
<td>We prefer that staff use their own vehicles for business travel.</td>
</tr>
<tr>
<td>6.5</td>
<td>I believe that there is a lack of transparency when it comes to salaries at MZK.</td>
</tr>
<tr>
<td>6.6</td>
<td>Money is the only motivator for staff.</td>
</tr>
</tbody>
</table>
### B7 - Promotion, Development and Talent management

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>7.1</td>
<td>There is equal opportunity for promotion at MZK.</td>
</tr>
<tr>
<td>7.2</td>
<td>At MZK career paths are made clear to staff.</td>
</tr>
<tr>
<td>7.3</td>
<td>Staff stand to gain vast engineering experience at MZK than at other companies in the industry.</td>
</tr>
<tr>
<td>7.4</td>
<td>Further studies (BTech, Hons, BCom) help staff to further their careers at MZK.</td>
</tr>
<tr>
<td>7.5</td>
<td>We make our staff aware of the promotion criteria used by MZK management.</td>
</tr>
</tbody>
</table>

### C - KNOWLEDGE MANAGEMENT

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<td>8</td>
<td>An annual &quot;lessons learnt&quot; workshop between all the offices will speed up the process of learning.</td>
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<td>Employees are required to do design reports for each project.</td>
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### D - GENERAL

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<td>What other improvements do you think should be considered to make MZK employee happier?</td>
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<td>2</td>
<td>In your own opinion, what factors influence employees to leave MZK?</td>
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</tbody>
</table>
APPENDIX D

QUESTIONNAIRE: EX-MZK STAFF

SECTION A - DEMOGRAPHIC INFORMATION

Please supply the following information by marking with an "X" in the appropriate box.

1 Your gender?
   Male
   Female

2 Are you?
   Asian
   Coloured
   Nguni
   White
   Other (specify)……………………………………………………………….

3 What is your age?
   18-28
   29-38
   39-48
   49-59
   60+

4 What is your highest qualification?
   National diploma
   National higher diploma
   B-Tech
   Bachelor's degree
   M-Tech
   Master's degree
   Other (specify)………………………………………………………………

5 In which department were you employed?
   Electrical
   Mechanical

6 How many years of experience did you spend at CMB?
   0-4 years
   5-10 years
   11-20 years
   21-30 years
   31+ years
7 How many years have you been with your current employer?

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>0-4 years</td>
<td></td>
</tr>
<tr>
<td>5-10 years</td>
<td></td>
</tr>
<tr>
<td>11-20 years</td>
<td></td>
</tr>
<tr>
<td>21-30 years</td>
<td></td>
</tr>
<tr>
<td>31+ years</td>
<td></td>
</tr>
</tbody>
</table>

8 How many times have you changed jobs during career?

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<tbody>
<tr>
<td>Never</td>
<td></td>
</tr>
<tr>
<td>1x</td>
<td></td>
</tr>
<tr>
<td>2x</td>
<td></td>
</tr>
<tr>
<td>3x</td>
<td></td>
</tr>
<tr>
<td>4x</td>
<td></td>
</tr>
<tr>
<td>5x and more</td>
<td></td>
</tr>
</tbody>
</table>

9 Are you registered as a...........?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Engineering Technician</td>
<td></td>
</tr>
<tr>
<td>Candidate Engineering Technologist</td>
<td></td>
</tr>
<tr>
<td>Candidate Engineer</td>
<td></td>
</tr>
<tr>
<td>Professional Technician</td>
<td></td>
</tr>
<tr>
<td>Professional Technologist</td>
<td></td>
</tr>
<tr>
<td>Professional Engineer</td>
<td></td>
</tr>
<tr>
<td>Certified Engineer</td>
<td></td>
</tr>
<tr>
<td>Other (Specify)………………………………………</td>
<td></td>
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</tbody>
</table>
## SECTION B - RETENTION STRATEGIES

Please supply the following information by marking with an "X" in the appropriate box.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B1 - Organisational culture and Values</strong></td>
<td>I felt welcome and part of the family at MZK.</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was valued and treated fairly at MZK.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MZK strived for honesty and integrity.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I trusted the management and other employees of the organisation.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I related to the values and vision of the organisation.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B2 - Leadership</strong></td>
<td>I was inspired by the level of the expertise and knowledge my seniors and management have.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MZK management was always friendly towards staff.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management cared about my needs.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managers used their high position to get the work done by staff.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management's vision about the future of the organisation motivated me.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management was very open and honest.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B3 - Communication</strong></td>
<td>I could discuss anything with management.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I frequently got feedback from my manager.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I got compliments for good performance.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management always told me why I was getting a bonus or a pay increase.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management always informed staff how the company is performing.</td>
<td>☐</td>
<td>☒</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I knew what the vision, mission and goals of the organisation are.</td>
<td>☐</td>
<td>☒</td>
<td></td>
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<tr>
<td></td>
<td>My ideas and opinions were valued by management.</td>
<td>☐</td>
<td>☒</td>
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<tr>
<td><strong>B4 - Performance management</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.1</td>
<td>I had all the tools to perform my job.</td>
<td></td>
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</tr>
<tr>
<td>4.2</td>
<td>I knew exactly what is expected of me.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.3</td>
<td>I was always given feedback from my management about how I am performing.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.4</td>
<td>I was rewarded when I performed well.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.5</td>
<td>The rewards were meaningful to me.</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4.6</td>
<td>I received adequate training that enabled me to perform my job well.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.7</td>
<td>I received adequate training that kept me up to date with technology and improve my performance.</td>
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</tr>
<tr>
<td>4.8</td>
<td>I had full-time internet access to help me do my work related research.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.9</td>
<td>I enjoyed the type of work I did at MZK.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.10</td>
<td>My work was challenging.</td>
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</tbody>
</table>

<p>| | |</p>
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<tbody>
<tr>
<td><strong>B5 - Managing poor performance</strong></td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>People who were not performing should have been notified about their non-performance</td>
</tr>
<tr>
<td>5.2</td>
<td>People who were not performing should been dismissed.</td>
</tr>
<tr>
<td>5.3</td>
<td>People who were not performing should have given a warning.</td>
</tr>
<tr>
<td>5.4</td>
<td>People who were not performing should have been given a second chance.</td>
</tr>
<tr>
<td>5.5</td>
<td>The company should have counselling programmes to assist poor performers.</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B6 - Terms and Conditions</strong></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>I earn a better salary now than I did at MZK.</td>
</tr>
<tr>
<td>6.2</td>
<td>I was happy with my salary at MZK.</td>
</tr>
<tr>
<td>6.3</td>
<td>I was happy with the my benefits (provident fund, medical aid, etc.) at MZK.</td>
</tr>
<tr>
<td>6.4</td>
<td>I was happy to use my own vehicle for business travel.</td>
</tr>
<tr>
<td>6.5</td>
<td>I believe that there was a lack of transparency when it came to salaries at MZK.</td>
</tr>
<tr>
<td>6.6</td>
<td>Money is the only motivator for me.</td>
</tr>
</tbody>
</table>
### B7 - Promotion, Development and Talent management

<table>
<thead>
<tr>
<th>7.1</th>
<th>There were equal opportunities for promotion at MZK.</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2</td>
<td>My career path at MZK was clear.</td>
</tr>
<tr>
<td>7.3</td>
<td>I stood to gain vast engineering experience at MZK than at other companies in the industry.</td>
</tr>
<tr>
<td>7.4</td>
<td>Further studies (BTech, Hons, BCom) helped me further my career at MZK.</td>
</tr>
<tr>
<td>7.5</td>
<td>I was aware of the promotion criteria used by MZK management.</td>
</tr>
</tbody>
</table>

### SECTION C - GENERAL

1. What changes would have made you happier to stay at MZK?

2. In your own opinion, what factors influences employees to leave MZK?