STRATEGIES TO IMPROVE EMPLOYEE RETENTION IN MEDIUM-SIZED BUSINESSES IN THE GARDEN ROUTE

By

ELSA MYBURGH

2013
STRATEGIES TO IMPROVE EMPLOYEE RETENTION IN MEDIUM-SIZED BUSINESSES IN THE GARDEN ROUTE

By

Elsa Myburgh

Submitted in fulfilment of the requirements for the degree of Masters in Business Administration in the Faculty of Business and Economics Sciences to be awarded at the Nelson Mandela Metropolitan University.

November 2013

Promoter: Prof. D.M. Berry
DECLARATION BY CANDIDATE

NAME: Elsa Myburgh
STUDENT NUMBER: 21126246
QUALIFICATION: Masters in Business Administration
TITLE OF PROJECT: Strategies to improve employee retention in medium-sized businesses in the Garden Route

DECLARATION:
In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

SIGNATURE: _________________________________________________________

DATE: _____________________________________________________________
ACKNOWLEDGEMENTS:

I would hereby like to acknowledge and thank the following people for their support throughout this course of study:

- To my husband Pieter who supported me throughout my studies and encouraged me to reach for the stars
- My family and friends who continuously contributed positive thoughts and words of encouragement
- My study colleagues for their consistent contributions to healthy debate and discussions throughout the three years of studies
- Prof. Dave Berry for his assistance and professional way of mentoring me throughout this assignment
- My Creator who has blessed me with talent and opportunities to make a difference.
ABSTRACT

The management dilemma that triggers this research is the improvement of employee retention in medium-sized businesses in the Garden Route. Various factors contribute to poor retention in business, such as the lack of employee engagement, lack of organizational commitment, lack of recognition and reward and lack of employee retention strategies. If these strategies are not in place it results in employees not feeling committed to the organization and therefore opting to leave.

This study takes a closer look at the literature review on specific causes of poor employee retention and aims to seek solutions for management to address the employee turnover problem, which affects the ability of the organization to achieve its goals and objectives. The question which formed the basis of this research was whether management can indeed improve retention within their businesses.

The parameters of this research topic are five medium-sized businesses in the Garden Route. Ten middle managers from these organizations formed part of the research. The research topic fell within the phenomenological paradigm, as the study looked at employee retention within organizations with the aim of finding out what the reasons for poor retention are and how the problem can be addressed. The approach was a subjective one as responses were interpreted from questionnaires to gain an in-depth understanding of the problem. Research was conducted by means of both questionnaires and interviews in order to interpret and explain the complexity of poor retention rates within the specific organizations. The qualitative data collection method was used.

Results were analysed and interpreted to indicate the relevance with the theory. Respondents confirmed that employee retention remains a challenge. It is clear that there is a need for effective strategies to retain talented employees in medium-sized businesses in the Garden Route as this is not being addressed as a priority. Recommendations were submitted which indicated that managers need to invest in strategies to foster employee engagement and organizational commitment. Fair and consistent rewards should be implemented and supported by blended retention strategies.
TABLE OF CONTENTS

DECLARATION iii
ACKNOWLEDGEMENTS iv
ABSTRACT v
TABLE OF CONTENTS vi
LIST OF SOURCES viii
LIST OF ANNEXURES viii
LIST OF TABLES xi

CHAPTER 1
PROBLEM STATEMENT AND OUTLINE OF THE STUDY

1.1 INTRODUCTION 1
1.2 PROBLEM STATEMENT 2
1.3 SUB-PROBLEMS 4
  1.3.1 Sub-problem one 4
  1.3.2 Sub-problem two 4
  1.3.3 Sub-problem three 5
  1.3.4 Sub-problem four 5
1.4 DEMARCATION OF THE RESEARCH 6
  1.4.1 Organizations selected 6
  1.4.2 Research respondents level 6
1.5 RESEARCH OBJECTIVES 6
1.6 IMPORTANCE OF THE STUDY 7
1.7 RESEARCH DESIGN AND DATA COLLECTION 7
  1.7.1 Research paradigm 7
  1.7.2 Sample and sampling design 8
  1.7.3 Measuring instrument 8
1.8 DEFINITION OF SELECTED TERMS 9
1.9 ASSUMPTIONS 9
1.10 OUTLINE OF THE STUDY 9
<table>
<thead>
<tr>
<th>CHAPTER 2</th>
<th>LITERATURE REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>2.2</td>
<td>CONCEPTUAL FRAMEWORK</td>
</tr>
<tr>
<td>2.2.1</td>
<td>Theory of retention</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>2.2.3</td>
<td>Organizational commitment</td>
</tr>
<tr>
<td>2.2.4</td>
<td>Recognition and reward</td>
</tr>
<tr>
<td>2.2.5</td>
<td>Employee retention strategies</td>
</tr>
<tr>
<td>2.3</td>
<td>CONCLUSION</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER 3</th>
<th>RESEARCH DESIGN</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>3.2</td>
<td>CONCEPTUAL FRAMEWORK</td>
</tr>
<tr>
<td>3.2.1</td>
<td>Sub-problem one</td>
</tr>
<tr>
<td>3.2.2</td>
<td>Sub-problem two</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Sub-problem three</td>
</tr>
<tr>
<td>3.2.4</td>
<td>Sub-problem four</td>
</tr>
<tr>
<td>3.2.5</td>
<td>Sub-problem five</td>
</tr>
<tr>
<td>3.3</td>
<td>RESEARCHER’S STANDPOINT</td>
</tr>
<tr>
<td>3.4</td>
<td>RESEARCH DESIGN AND PARADIGM</td>
</tr>
<tr>
<td>3.5</td>
<td>DATA COLLECTION</td>
</tr>
<tr>
<td>3.6</td>
<td>THE QUESTIONNAIRE AS MEASURING INSTRUMENT</td>
</tr>
<tr>
<td>3.7</td>
<td>DATA ANALYSIS AND INTERPRETATION</td>
</tr>
<tr>
<td>3.8</td>
<td>CONCLUSION</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER 4</th>
<th>DATA ANALYSIS AND INTERPRETATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>4.2</td>
<td>ORGANISING OF DATA</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Organizational commitment</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Recognition and reward</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 2.1  Description and definition of retention factors  37
Table 3.1  Response rate                             55
Table 3.2  Age group of respondents                 55
Table 3.3  Gender of respondents                    56
Table 3.4  Levels of qualification                 56
Table 3.5  Numbers of years as managers             57
Table 3.6  Total number of years' experience       57
Table 4.1  Employee engagement                      62
Table 4.2  Organizational commitment               63
Table 4.3  Recognition and reward                  63
Table 4.4  Retention strategies                     63
Table 4.5  Coding unit 1.1                         64
Table 4.6  Coding unit 1.2                         65
Table 4.7  Coding unit 1.3                         67
Table 4.8  Coding unit 1.4                         68
Table 4.9  Coding unit 2.1                         70
Table 4.10 Coding unit 2.2                         71
Table 4.11 Coding unit 2.3                         72
Table 4.12 Coding unit 2.4                         73
Table 4.13 Coding unit 3.1                         74
Table 4.14 Coding unit 3.2                         76
Table 4.15 Coding unit 3.3                         77
Table 4.16 Coding unit 3.4                         78
Table 4.17 Coding unit 4.1                         80
Table 4.18 Coding unit 4.2                         81
Table 4.19 Coding unit 4.3                         82
Table 4.20 Coding unit 4.4                         84
CHAPTER 1
PROBLEM STATEMENT AND OUTLINE OF THE STUDY

1.1. INTRODUCTION

In the researcher’s current work as consultant to businesses in the Garden Route in the field of employee training and development, the challenge of retaining competent employees is often voiced by employers. Comments such as it is a challenge to first of all find competent employees and then keep them to stay and retain their services in order for the organization to achieve its long-term goals, are often heard. It is against this background that the question of how managers can improve retention of talent arose.

The management dilemma that triggers this research is the challenge of retaining talented employees in medium-sized businesses in the Garden Route.

According to Ngobeni and Bezuidenhout (2011), one of the aspects that makes employees leave their employers, is the lack of employee engagement. This contributes to poor staff retention. It is especially the retention of talented and capable employees that is much more of a challenge today.

The issue of whether or not employees will talk about their intention to leave their organization is worthwhile investigating in terms of how engaged employees are. As researched by Hunjra, Ali, Chani, Khan and Rehman (2010), the employee voice mechanism, which indicates that employees clearly voice their dissatisfaction with their current employer, plays a large part in employee engagement and retention of staff.

According to Werner, Bagraim, Cunningham, Pieterse-Landman, Potgieter and Viedge (2011), organizational commitment which is seen as the combined efforts of managers, teams and individuals can lead to retention and attainment of organizational goals. Employees who can identify with the organization’s goals and
objectives and who can align this with their own goals are more likely to stay committed to the organization.

Organizations which recognise good achievements and reward their employees accordingly, are bound to experience a higher retention rate within their organization. Research conducted by Samuel and Chipunza (2009) found that lack of recognition and reward can contribute to employee turnover. The importance of giving feedback to employees goes hand in hand with rewarding employees for good performance. Werner et al. (2011) stated that those employees who do not experience praise and regular feedback on progress, will not be motivated to stay in the long run.

In addition, the lack of employee retention strategies will be investigated to establish how this could reduce employee turnover, as found by Chiboiwa, Samuel and Chipunza (2010). Organizations may use various retention strategies that will lead to positive results in terms of motivating employees to perform well and to stay committed to the organization. Some of these strategies include ensuring job satisfaction of employees as well as understanding the reasons why employees intend to leave. The recruitment strategies of an organization can play a major role in contributing to a good retention strategy, as ineffective hiring practices may increase employee turnover (Samuel and Chipunza, 2009).

This study will take a closer look at the literature review on specific causes of poor employee retention rates, and will aim to seek solutions for management to address the employee turnover problem, which affects the ability of the organization to achieve its goals and objectives.

1.2 PROBLEM STATEMENT

The nature of the problem being researched is the challenge for management to retain employees at medium-sized businesses in the Garden Route. As many of these businesses are still in their growing phases and must be competitive to survive in the current economic climate, they will have to rely heavily on their human capital to take them forward and achieve the goal of being the employer of choice. According to Ngobeni and Bezuidenhout (2011), there is limited knowledge on
specific human resource interventions to improve employee engagement. Reasons why employees leave the organization, could include better financial rewards elsewhere, more stable and long-term employment conditions and job insecurity.

The cost of failure to retain employees is immense. Ongori (2007) states that employee turnover is expensive, entailing the replacement process, the search of external labour market, selection process and induction of the chosen candidates. Ng and Tay (2010) indicates that disengaged workers who lack the motivation to do their job properly, have low productivity. A Gallup study (2007) shows that disengagement of workers cost the US economy between USD $334 and USD $431 billion. A result is that employees leave, and management fail to understand why some employees are neither engaged nor involved in their work.

Low staff retention rates could be attributed to a lack of employee engagement, according to Ngobeni and Bezuidenhout (2011). Lack of organizational commitment also contributes to employee retention as found by Malik, Abbas, Kiyani, Malik and Waheed (2011). The commitment of management to its employees will therefore have to be investigated. When recognition in terms of feedback on progress is not evident in an organization, it could contribute to staff leaving the organization. Both intrinsic and extrinsic motivation factors play a role in the decision of employees to leave, as well as employee retention strategies as studied by Ongori (2007). These strategies include the active engagement of employees as well as the optimization of the unique value of each employee.

Based on the above discussions, the following research question has been identified:

**What strategies can medium-sized businesses in the Garden Route utilise to retain employees?**

The benefits of successful employee retention include effective human capital resources which would give the organization a competitive edge, both nationally and internationally. Further growth of the organization and a stronger organizational culture would follow. Strategies which organizations can follow in order to ensure the retention of talented employees include the involvement of employees, fostering a climate where organizational commitment can flourish, recognising good performance and putting together specific strategies that are realistic and can be
executed. These efforts should result in an increased capacity for research and development within the business and achievement of both organizational and financial goals. Ongori (2007) emphasises that employees are the backbone of any business, and as such need to be motivated and retained within the organization to ensure its global competitiveness and provide quality goods and services. He states that return on investment in employees would be achieved and if the correct strategies are put into place, employee turnover would be minimised (Ongori, 2007).

1.3 SUB-PROBLEMS

The sub-problems that have been identified that impact on the main problem, are:

1.3.1 Sub-problem one: employee engagement

According to Werner et al. (2011) employees who are not engaged, do not share knowledge amongst themselves. The loss to the organization because of this is that there is no competitive edge. If the organization wants to retain its competitive advantage it will have to address this issue. Furthermore a low employee engagement implies that workers are neither emotionally nor cognitively committed. In addition, because these employees are not personally committed, they do not exceed job expectations. As a result, low productivity and poor performance are usually the outcome of employees who are not involved (Ongori, 2007). Such employees will in the end not feel committed to the organization and will opt to leave and seek new opportunities elsewhere where their opinions will count and where they will be able to share their knowledge.

1.3.2 Sub-problem two: organizational commitment

The degree to which an employee can identify with the organization and its goals, plays a major part in the success of the organization to achieve its objectives (Werner et al., 2011). An organizational culture, with which employees can identify as having shared values and beliefs, is a good indication of organizational commitment (Ngobeni and Bezuidenhout, 2011). Such employees will show an attitude of belonging and loyalty to the organization. Should leadership not be committed to organizational commitment, this could result in disruptive operations and a lack of continuous development and capacitation of employees. This could
further result in loss of talent workers, hampering of research and development and an interruption of succession planning for the long term management of the organization, putting the leadership for the future at risk because of its inability to retain talented employees.

1.3.3 Sub-problem three: recognition and reward
If an employee is performing well and making good progress, it is important that the manager recognises this and gives feedback. Should this not happen, consequences for poor performance will not be shown out, and employees’ efforts will not be redirected (Werner et al., 2011). Employees who do not receive progress feedback will not experience praise and recognition and will not be motivated to perform at best (Havenga, Stanz and Visagie, 2011). The risk to the organization if it does not give sufficient feedback and rewards would be that employees feel unvalued and leave the organization. There should also be a direct link between the level of performance of an employee, and how he or she is rewarded, whether it is in terms of monetary rewards or other forms of reward such as empowerment (Werner et al., 2011). In order for managers to address retention challenges, the links between performance and rewards need to be clearly understood.

1.3.4 Sub-problem four: retention strategies
If employee retention strategies are lacking in the organization, it will stand the risk of having unmotivated employees who feel they did not receive what they expected from the organization (Ukandu and Ukpere, 2011). Employees will not be able to perceive that effort will lead to rewards, which in turn can lead to employees not achieving high performance. A further risk is that work tasks cannot be designed to be measurable in the longer term. Poor job specifications and the correlating lack of job satisfaction will be the result, which will lead to further employee turnover within the organization (Werner et al., 2011). Effective recruitment strategies where reference is made to employee personality traits which will fit in with the organization, can play an important part in good retention strategies (Mozafari, Asli and Bejestani, 2012). Employees who can align their personal values and career goals with that of the organizational culture in which they find themselves, will remain longer with the organization and retention rates will be improved (Zheng, Sharan and Tao, 2010).
1.4 DEMARCATION OF THE RESEARCH

In order to make this research topic more manageable from a research point of view, the research has been demarcated. However, as topics have been excluded, this does not imply that there does not exist a need for research on these topics.

1.4.1 Organizations selected
Five medium-sized businesses in the Garden Route have been selected for this research. The aim of this research was to target people who are managers at similar levels, i.e. middle management. A total of ten managers were selected to take part in this research.

1.4.2 Research respondents level
Respondents in this study are limited to middle management level.

1.5 RESEARCH OBJECTIVES

The primary research objective or focus of this study is to improve employee retention within organizations, by investigating the causes of this problem. More specifically, this study investigates the relationship between the variables namely lack of employee engagement, organizational commitment, recognition and reward, and employee retention strategies. The results of this study were used to provide recommendations to the managers of the organizations on strategies they could implement to address current challenges in retaining talented employees.

The secondary research objectives of the study are the following: with regards to lack of employee engagement, key initiatives to promote employee engagement, high performance, the sharing of knowledge and involvement from top management will be addressed. In the area of organizational commitment, the contributing factors that will be studied are training and development of employees, the impact of shared organizational values and clear expectations as perceived by employees. In terms of recognition and reward, the focus will be on intrinsic and extrinsic motivation, the link between performance and reward and management feedback.
Lastly, with regards to employee retention strategies, the study researched the job satisfaction of employees, the consideration of personality traits to contribute to retention and most effective strategies recommended by middle managers.

1.6 IMPORTANCE OF THE STUDY

The importance of this study links to the statement by Ngobeni and Bezuidenhout (2011) that although research on the general work engagement themes has been conducted by numerous researchers, there is limited knowledge on specific human resource intervention that could lead to improved employee engagement, and thus improved retention. Successful employee retention includes effective human capital resources which would give the organization a competitive edge, both nationally and internationally. Further growth of the organization and a stronger organizational culture would follow. This should result in an increased capacity for research and development within the business, and achievement of both organizational and financial goals. The importance of this study of employee retention is therefore crucial to the success and sustainable growth of an organization as employees are their greatest resource.

1.7 RESEARCH DESIGN AND DATA COLLECTION

The research paradigm used in this study is the phenomenological approach. The sample size and sampling design is discussed as well as the measuring instrument.

1.7.1 Research paradigm

The researcher used the phenomenological paradigm, as the study looks at improvement of employee retention at an organization, with the aim of finding out what the reasons for this were and how the problem could be addressed. The approach was therefore subjective, as the researcher interpreted the responses from the questionnaires. Questionnaires and interviews were used to collect data by using qualitative data collection. The findings were interpreted and recommendations were made to improve employee retention.
1.7.2 Sample and sampling design

The sample used in the phenomenological approach is ten employees representative of five medium-sized businesses in the Garden Route. These respondents were selected as following: all ten managers were from the middle management level. The focus of the study was to gain rich and detailed insight into the complexities of the problem of lack of employee retention.

The sampling design was the non-probability design, which indicates that it is arbitrative and subjective. Convenience sampling was used, as employees were available and easy to get hold of in order to distribute the questionnaires and interpret and explain the phenomena of employee turnover.

1.7.3 Measuring instrument

The researcher distributed and collected questionnaires from the ten employees, exploring data on understandings and opinions (Collis and Hussey, 2009). Questions were open-ended and interviewees' answers were explored in more depth. Data regarding independent variables namely lack of employee engagement, organizational commitment, lack of recognition and reward and lack of employee retention strategies, was collected. Data of dependent variables were collected, focusing on employee loyalty, job expectations, knowledge sharing, training and development, motivation, reward and recognition, feedback, job satisfaction, reasons for leaving and aligning personal values with that of the organization.

Interviewees were aware that responses to questionnaires were confidential. Some questions as used by Ukanda and Ukpere (2011) were used, as their responses have been tested. Questions used by The Gallup Organization were also included as these have been used and tested extensively (Harter, Schmidt and Kilham, 2003).

The anchoring scale used was the nominal scale, which is the naming of variables or a classification of data by using numerical codes to name categories that allow for statement of equality or difference, indicating no order, distance or origin (Collis and Hussey, 2009).
1.8 DEFINITION OF SELECTED TERMS

1.8.1 **Employee retention**: the effort of an organization to maintain a working environment that will keep current employees within the organization.
1.8.2 **Employee engagement**: psychological state in which employees feel a vested interest and willingness to perform at a higher than expected level.
1.8.3 **Organizational commitment**: degree to which a person identifies with an organization and its goals.
1.8.4 **Rewards**: showing appreciation for good work through either monetary measures or acknowledgement.
1.8.5 **Employee recognition**: communication between management and workers to reward them for achieving specific goals or producing high quality of work.
1.8.6 **Strategy**: a method or plan to bring about a desired outcome, such as the achievement of a specific goal or a solution to a problem.

1.9 ASSUMPTIONS

The following assumptions were made:

- The recommendations in this study can be used in any type of organization, whether it is a small or medium-sized business in either the private or public sector.
- The recommendations are also suitable to be used in organizations where there are either few or many levels of management.

1.10 OUTLINE OF THE STUDY

In Chapter 2, the problem of employee retention will be discussed, as well as the various strategies that managers can use to improve retention within the organization. The following factors that can have an influence on improvement of employee retention will be dealt with:

- Employee engagement
- Organizational commitment
- Recognition and reward
- Employee retention strategies

Chapter 3 will discuss the research design and methodology of the study, as well as the data collection and measuring instrument. The data analysis and interpretation will be explained. In Chapter 4, the results of the study will be organised, analysed and interpreted. Chapter 5 will include the conclusion, summary and final recommendations. Limitations of the study and areas for future research will also be addressed in this last chapter.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

According to Ngobeni and Bezuidenhout (2011), retaining talented employees is a major challenge in South Africa today - even more so than finding them. The literature review reveals that aspects such as employee engagement, organization commitment, recognition and reward and retention strategies, are all deciding factors in employee retention.

Smythe (2008) as cited by Ngobeni and Bezuidenhout (2011) indicates that there is currently limited knowledge on specific human resource interventions to improve employee engagement. However, some of the recommendations are that the following strategies can improve employee engagement: external recruitment drives, training and development, the mentoring and coaching of staff, specific career development initiatives. As organizational culture implies shared values and ideas of employees, this will have a great impact on employee engagement (Ngobeni and Bezuidenhout, 2011).

Findings by Ngobeni and Bezuidenhout (2011) indicate that communication is also said to have a great impact on workers’ decisions to stay, as effective communication helps employees to align their targets at work to that of the organization’s strategy.

Organizational commitment is one of the key factors that influences employee turnover, as this is the degree to which an employee identifies with the organization and its goals (Werner et al., 2011). Employees who share the same values as that of the organization, are more likely to remain loyal to the employer and committed to stay. The ways in which management can show commitment to their employees include the training and development of employees and the building of long-term relationships within the company. This is indicated through a perceived commitment by the organization to help employees learn new skills as management cared about their development and employability (Malik et al., 2011).
Findings by Werner et al. (2011) indicate that motivation and reward also play an important role in employee engagement, which comes about not only by money as the motivating factor, but also by fulfilling personal potential and opportunities for promotion. Managers should be mindful of the fact that there is a direct link between performance and reward in order to keep employees motivated (Werner et al., 2011). Other individual factors such as opportunities for growth, work-life balance, the relationship between workers and supervisors, demographic changes and skills shortages have been found to have an impact on employee engagement and their decision to stay with the organization (Ngobeni and Bezuidenhout, 2011).

Organizations have various ways of putting together retention strategies that will be effective and lead to positive results. Attention to recruitment practices, advancement opportunities and organizational prestige can all play a role in improving the retention strategies of organizations who aim to influence the decisions of employees to stay. The various factors of employee retention will now be more closely investigated.

2.2 CONCEPTUAL FRAMEWORK

The literature review focus on the various key aspects of employee retention, namely the theory of retention, employee engagement, organizational commitment, recognition and reward and retention strategies. These focus areas form the framework of the research.

2.2.1 Theory of retention

Employee retention is defined as the effort of an organization to maintain a working environment that will keep employees within the organization and prevent them from seeking employment elsewhere (Business Dictionary, 2013). Much research has been done on employee retention, especially in South Africa as skills shortages have become an important challenge in the business environment (Ngozwana and Rugimbana, 2011). Compared to other competitive dimensions in business such as capital, strategy and innovation and research, competition to attract the right human capital and to retain them have also become a crucial competitive consideration for many organizations today. The study by Ngozwana and Rugimbana (2011)
attempted to determine how successful the implementation of strategies were in an organization that was hugely committed to appoint, develop and retain employees whilst the turnover rates were still high. In light of the significant brain drain that has taken place in post-apartheid South Africa, this study indicated that most available literature thus far concentrate on key strategies that would lead to talent management and retention of employees in countries outside Africa. This study recommends that there is a lack of research of employee retention especially to inform the African business environment, and even more so the South African setting (Ngozwana and Rugimbana, 2011). This research defines talent management as the deliberate approach that is undertaken by organizations to attract, develop and retain employees with the right skills and abilities to meet both current and future needs of the organization (Ngozwana and Rugimbana, 2011).

The talent in an organization is embodied within those employees whose talent and experience result in the creation of products and services that cause clients to come to this particular business and not the competitors, according to De Kock (2005) as cited by Ngozwana and Rugimbana (2011). An effective talent management approach therefore, has all to do with effective retention of such employees who directly contribute to the competitive positioning of the organization. Ngozwana and Rugimbana (2011) are of the opinion that an integrated approach to effective recruitment, employee and leadership development, performance management and workforce planning also contribute to effective retention.

It is clear from the study by Ngozwana and Rugimabana (2011) that one important aspect of employee retention is employee engagement, which implies that a very strong employer brand equity is built. This research stresses the importance of managers’ contribution to provide employees with a passion for their work, a positive work environment which ensures maximum performance and an overall work experience that is very difficult for competitors to duplicate. Ngozwana and Rugimbana (2011) hold that human and organizational resources are able to provide a business with a sustained competitive advantage that is extremely difficult to copy, much more than financial or technical resources. Therefore, elements such as organizational commitment, intrinsic motivation, employee involvement and dedication to work are viewed as the most essential dynamics that will lead to higher
retention rates. Findings from this study highlighted the fact that, although managers responded very positively to questions relating to employee retention, the lack of visible involvement of the CEO in staff retention was a concern.

Key issues that rated favourably in the study by Ngozwana and Rugimbana (2011) were:
- clear work expectations
- resources were available
- someone at work encouraged employees’ development
- staff are committed to quality and growth

On the other hand, key issues that rated negatively in the study were:
- the mission of the company does not make them feel that their roles are important
- their views do not seem to count
- supervisors do not care
- good work is not rewarded by praise or recognition

2.2.2 Employee Engagement

Werner et al. (2011) is of the opinion that organizations cannot achieve their goals without the combined efforts of managers and their teams. With the aim of creating an environment where both managers and employees can become engaged, organizations put great effort into designing policies, structures, reward systems and management approach to achieve this. Poisat (2006) as cited by Werner et al. (2011) is of the opinion that employees who are engaged are not only emotionally committed to the organization, but also cognitively and personally. They will therefore do more than what is expected from their jobs. These employees experience meaning in their jobs and as a result they are responsible, accountable and innovative.

The Gallup Workplace Audit (Harter et al, 2003) measured the twelve elements that most strongly correlated with employee engagement, which in turn leads to increased
employee retention, profitability and revenue growth. In their research they use the following three categories for engagement index slots:

- Engaged: employees who are passionate about their work and who feel a very strong link to the company. They are drivers of innovation and moving forward.
- Not-engaged: employees that are only putting in time but not passion or energy into their work. They are described as sleepwalking through their day.
- Actively disengaged: employees who are unhappy at work, and act out their unhappiness. These employees undermine what their engaged colleagues achieve.

According to the latest results from Gallup International (Harter et al., 2003) with regards to the engagement index, it was found that in the North American worker population, the engagement levels were as follows:

- Engaged employees – 28%
- Not-engaged employees – 54%
- Actively Disengaged – 17%

The above survey showed that over seventy percent of all workers are either performing below expectation, or are actively sabotaging the good work of their colleagues and therefore of the organization.

Engaged employees succeed in forming strong relationships with colleagues and demonstrate organizational citizenship (Werner et al., 2011). The benefit of engaged employees is that they share their knowledge and insights in the organization, which leads to a competitive advantage for the organization.

A study by Ngobeni and Bezuidenhout (2011) was done to find practical ways of improving employee engagement with the view of retaining them for longer periods. Putting employee engagement into perspective, Ngobeni and Bezuidenhout (2011) define it as being a psychological state in which employees feel a vested interest in the organization. These employees are therefore willing to perform at a high level of commitment. Ngobeni and Bezuidenhout (2011) are of the opinion that in order to
improve engagement and retention of employees, the workforce policy should encourage flexible work, rewards that are customised, the encouragement of participation of staff and career mobility that is both challenging and rewarding. The problem identified by Ngobeni and Bezuidenhout (2011) was that the difference between the attitudes and the work styles of the younger and older generation of workers remain a challenge to employers. They refer to the view that there is a discrepancy between what employees actually indicate in terms of their job satisfaction, and what human resource professionals assume.

An interesting observation by Ngobeni and Bezuidenhout (2011) was that some managers and directors still believe that their employees will remain with the company simply because they were appointed. Taking into consideration the different generations working together, this might not be true. In order to retain skilled employees, Ngobeni and Bezuidenhout (2011) emphasise that it is the responsibility of the line managers to ensure that they are engaged. This is in line with the research by Deloitte and Tohmatsu (2004) as cited by Ngobeni and Bezuidenhout (2011), which indicate that the “develop-deploy-connect model” should be the foundation of every organization’s strategy to enhance employee engagement and ultimately, retention. Engagement is viewed by Ngobeni and Bezuidenhout (2011) as a very valuable measure of the role that attachment to the workplace plays.

Specific strategies to engage employees are suggested by Ngobeni and Bezuidenhout (2011), such as refraining from recruiting externally in order to ensure that current employees do not feel neglected and therefore less engaged. Other strategies mentioned include employer branding, development of staff and career development. It is suggested by Ngobeni and Bezuidenhout (2011) that further research is being done in other contributing factors such as career mobility, succession planning and reasons for poaching of employees. This study name the driving forces of employee engagement as being demographic changes, competition and the shortage of skills (Ngobeni and Bedzuidenhout, 2011). Drawing from insights of other researchers such as Kock and Burke (2008), this research make mention of the fierce war for talent, which poses the challenge to employers to not only attract new talent, but also to retain them amidst the increase in the number of
employees who seek to join “employers of choice” and still remain engaged (Ngobeni and Bezuidenhout, 2011).

The findings of Ngobeni and Bezuidenhout (2011) show that age is a determining factor in employee engagement, as the younger employees appear to be still very enthusiastic and inspired by the mission of their employer, while the older workers tend to feel less inspired.

The main findings of the research conducted by Ngobeni and Bezuidenhout (2011) show that in terms of employee engagement, most of the staff members knew clearly what was expected of them. They felt their jobs were important, and that they had the chance to utilise their skills at work. However the concern was that too little feedback on progress was given, and there was a lack of recognition of outstanding work. In addition, a lack of personal and career development was evident. The study recommend that managers should nurture and grow talent within their organization in order to keep talented employee engaged and ready to occupy key roles in the future (Ngobeni and Bezuidenhout, 2011).

Hunjra et al. (2010) studied the sources of employee turnover, and the effects it had on organizations. This study emphasise that employers invest a lot of time and money in their employees to induct them into the new organization, and to develop and retain them. However, in order to minimise the turnover of employees, Hunjra et al. (2010) suggests that managers must be aware that employees have different views about their organizations. Some are satisfied, and others are dissatisfied and will raise their voice against dissatisfaction. Hunjra et al. (2010) defined voice as an expression of dissatisfaction and the employee’s voice is therefore the mechanism to speak about problem situations at work. If this is not addressed positively, it could result in loss of talent for the organization. This study further indicate that the voice mechanism to speak about problem situations in the workplace will be used by employees who are more engaged, which will have a positive effect on retention of employees. Hunjra et al. (2010) further state that higher qualified employees are more inclined to leave. However, this research highlighted the fact that it does not reveal the complete phenomenon that is involved in the relationship between the option for employees to use the voice mechanism and leaving the organization.
According to Ongori (2007) there has been a lack in the consistency in the findings of research on why people intend to leave their organizations. This study does, however, highlight the following reasons why employees leave:

- Employees experience stress that is job related
- There is a lack of commitment to the organization
- Dissatisfaction with their current jobs

Apart from people not being very sure about how to perform their jobs, Ongori (2007) indicated that other factors such as unclear expectations from colleagues and supervisors, ambiguous performance appraisal systems and high job pressures may cause employees to feel less engaged and satisfied with their jobs. Eventually, they will display an intention to leave the organization.

Ongori (2007) emphasises the cost of employee turnover, in terms of loss of productivity as well as intellectual capital, as competitors stand to gain these assets. This study further indicated that other costs associated with poor retention were not only direct financial loss, but also indirect cost such as poor morale, pressure on the remaining employees and quality of service. The recommendation from Ongori’s (2007) research was that a way to engage employees was to empower them and thus ensure their continuity with the organization. This could be achieved by delegating decisions to subordinates, while managers act as coaches and help employees to solve problems. The result would be that employees feel more committed and thereby the possibility of employees leaving are being minimised.

Although there is no standard framework for understanding the whole process of employee turnover, Ongori (2007) indicate the findings of Kevin et al. (2004) that there is a wide range of factors available to interpret this. Ongori (2007) further affirms that there was a need for a better understanding of the sources of employee turnover, as well as the strategies managers can use to minimise this. He reiterates that employees will stay, based on the organization’s capacity to engage staff. However, Ongori (2007) indicates that if roles of employees are not clearly spelt out, it would accelerate the degree to which employees would leave because of a lack of clear job descriptions. His findings show that in organizations where there is a high
level of inefficiency, this correlates with a high level of employee turnover (Ongori, 2007). Therefore, employees would rather look for stable organizations where their career advancement can be predicted to a certain extent.

Ongori (2007) concludes that in the long-run, the capacity of the organization to engage, retain and optimise the value of its employees, depends on how well jobs are designed and clarified. Furthermore, employees would be motivated to stay depending on how well an employee’s time was used and how committed and supportive management was towards employees.

Havenga et al. (2011) emphasise that organizations’ workforces and work practices have dramatically changed in the last twenty five years, due to technological advancement, demographic shifts and a high demand for innovation. He stressed that the benefits of having an engaged and energized workforce are enormous, namely improved retention, productivity and engagement of employees, and therefore reduced turnover. Employee engagement is defined by Havenga et al. (2011) as the emotional and intellectual commitment that an employee displays towards the organization. This study further emphasises that employee engagement can be contributed to the involvement of employees in their work in such a way that it demonstrates a positive impact on the interests of the organization.

The levels of employee engagement before and after business and cultural interventions were undertaken, were studied by Havenga et al. (2011). With reference to the Charter Institute for Personnel and Development (2006a), Havenga et al. (2011) indicated the impact that employee engagement had on the sense of community within the organization. It was suggested that relationships amongst colleagues are very important in contributing to job satisfaction of workers. Furthermore, this study indicated that the way in which engagement is embedded in the organization’s culture, are extremely important to the willingness of employees to stay on in the organization. This was referred to as “affective engagement” and is strongly related to the behaviour of an employee going the extra mile (Havenga et al., 2011:8805). From this study, it is recommended that management should establish which the most crucial organizational factors are that impact on employee engagement. Although Havenga et al. (2011) was of the opinion that the extent to
which employee engagement can lead to change in the organization is not conclusive, he emphasised the value of measuring employee engagement.

With reference to the Gallup Organization (GWJ, 2006) Havenga et al. (2011) describes an engaged employee as a person who is one hundred percent psychologically committed to his or her role. This is further explained by the fact that such members of staff feel challenged, their talents are being utilized, they know the scope of their work and they are always on the lookout for new ways of achieving their goals.

The above-mentioned study by Havenga et al. (2011) referred to the CIPD Annual Survey report (2006c) which described employee engagement as having three categories:

- Emotional engagement: being emotionally involved in one’s work
- Cognitive engagement: focusing very hard while at work
- Physical engagement: willing to go the extra mile (beyond what is expected) for the employer

With regards to the positioning of employee engagement, Havenga et al. (2011) state that engaged employees are very strong assets to the organization for sustained competitive advantage. Havenga et al (2011) affirm that in order to obtain high performance in intangible work which demands innovation, flexibility and speed, employers need to keep their workforce engaged by affording them trust, freedom and participation.

In order to explain the key drivers of employee engagement, Havenga et al. (2011) make reference to Gallup (2006) in this regard, namely:

- The development of skills for individual growth and career development
- Establishing a culture of work-life balance
- an awareness of the strategic direction of the organization
- Recognition of good work through reward mechanisms
- Establishing as culture of caring for employees
- Competitive compensation systems
- Job expectations that are very clear
- Effective resources and sufficient equipment to all employees
- Equal opportunities for employees to use their skills

In the 2006 Meta-Analysis study by the Gallup organization (Havenga et al., 2011) the results showed that the business unit teams which had a high level of engagement, performed better than those with a low level of engagement. This proves again the opinion that organizations cannot achieve their goals without the combined efforts of managers and their teams, which can indeed be achieved through employee engagement resulting in improved retention.

A study on the impact of employee engagement in their work in terms of influencing the relationship between performance and job resources in organizations was conducted by Ng and Tay (2010). This study highlighted the importance of providing sufficient equipment for employees to be fully engaged in their work and in order to perform effectively. The fact that engaged employees tend to use their physical, cognitive and emotional capabilities in their work was emphasised, and concurs with the view expressed by Havenga et al. (2011). This study further revealed that past research often focused on the negative psychological state of mind of employees, rather than on the positive. However, Ng and Tay (2010) confirmed that employees with a positive state of mind are more energized and involved in their work.

A definition of work engagement which emerged from this study describes engagement as a positive and satisfying work related state of mind. This is characterized by hard work and dedication with great dedication (Ng and Tay 2010.) Ng and Tay (2010) further describes engagement is not being an attitude, but it portrays the extent to which employees are consciously absorbed in what they do and in their specific roles within the organization. This study found a direct relationship between the engagement of employees with both their jobs and the organization. It was indicated that both these aspects could be positively related to the type of organizational support which employees received from their managers. An interesting fact was highlighted namely that employees’ engagement towards their jobs also depended on the characteristics of the job. In addition, this study also
emphasised that the employee’s engagement to the organization is dependent on how they see the procedural justice in the organization (Ng and Tay, 2010).

The relation between job demand and job resources and its impact on employee engagement was also discussed by Ng and Tay (2010). It is interesting to note that this research found a positive relationship between job demands and employee exhaustion, as well as between work engagement of employees and their available job resources. Ng and Tay (2010) indicate that when job demands are high, employees would tend to feel exhaustion rather than disengagement. Therefore, when demands are high and resources low, these employees would feel disengaged and exhausted at the same time. It was proposed that in order to get employees engaged, they should be given less demanding jobs and should be allowed to make their own decisions in their work (Ng and Tay, 2010).

Other literature in the study by Ng and Tay (2010) indicate that there are two motivational roles of job resources, namely intrinsic motivation which promotes growth and learning and affirms a sense of belonging. Extrinsically it means that employees have the necessary job resources to enable them to achieve their goals at work. The conclusion is that if employees are not provided with the necessary job resources, they are more likely to be disengaged if feedback, job control and decision-making opportunities are not evident.

It is clear from the study by Ng and Tay (2010) that engaged employees perform better than employees who are not engaged. This statement is explained by the fact that they describe engaged employees as happy, enthusiastic and full of joy. Further to this view, Ng and Tay (2010) also concluded that engaged employees scored higher in their extra-role performance (contextual behaviours), than in their in-roles (their tasks). It was further stated that these in-role behaviours of employees could either directly or indirectly, contribute to their productivity within the organization (Ng and Tay, 2010). This study concluded that if employees have the resources, they would be more engaged in their work, and therefore would be able to achieve their organizational goals.
The managerial implication of the above findings is that organizations need to provide employees with job resources such as control and social support in order for them to perform at their best (Ng and Tay, 2010). Further recommendations are that employees would be able to perform even better if they were empowered and provided with opportunities to learn new things and to discover their full potential.

Finally, the results from the study by Ng and Tay (2010) confirm other research findings that engaged employees would find their work meaningful and interesting, and would therefore be inclined to stay with the organization. They would immerse themselves in their jobs even more, and would persevere to complete the most challenging tasks (Ng and Tay, 2010). This study recommends that future research should look at other antecedents of work engagement, such as job embeddedness, organizational politics and organizational justice. The statement was made that employees who have control over decisions that affect them, and who receive adequate support from both their peers and their supervisors, would invariably react positively by being engaged and by performing effectively.

**2.2.3 Organizational commitment**

With regards to organizational commitment, past research (Ngobeni and Bezuidenhout, 2011) indicate that the two main factors influencing turnover retention are work satisfaction and organizational commitment. Werner et al. (2011) defines organizational commitment as the degree to which a person identifies with an organization and its goals. Such employees would wish to maintain membership of the organization. Ngobeni and Bezuidenhout (2011) stated that organizational culture referred to the feelings of people towards the organization, the system of authority and the degree of employee commitment. Organizational culture is described in this study as the shared values and beliefs of employees, which will have an impact on the way in which employees are engaged with the organization (Ngobeni and Bezuidenhout, 2011).

In addition to the impact that organizational commitment has on the intention of an employee to stay, it was found that clear communication of the goals and vision by managers also positively influence employees as they can identify with these organizational objectives (Ngobeni and Bezuidenhout, 2011). With regards to
reasons for leaving, the study by Ngobeni and Bezuidenhout (2011) report that workers who exited the organization indicated in their interviews that a management style which is open and understanding of daily problems would have influenced their level of engagement, and would have changed their decision to leave.

The approach to training and development of employees indicate the level of commitment that the organization demonstrates towards its employees. This view is held by Ngobeni and Bezuidenhout (2011) who state that organizations should provide career development opportunities, or else employees will feel undeveloped and opt to leave. This study confirms that there is a significant shift from the traditional career when employees used to stay with one organization for a very long period of time (Ngobeni and Bezuidenhout, 2011). Today, employees choose more than one career and therefore spend a shorter time in each of these. Ngobeni and Bezuidenhout (2011) emphasise that because of these career changes, managers should give all the necessary support to employees in order to manage these careers and keep employees within the organization. The fact that career development is fundamental to succession planning in organizations was stressed in this study, as employees intend to grow and develop and need the support of managers to help them plan their careers (Ngobeni and Bezuidenhout, 2011).

The commitment of the organization in terms of succession planning is stressed by Ngobeni and Bezuidenhout (2011) as an employee’s perception of opportunities inside the organization is one of the major predictors for engaged employees. Succession planning is defined by Ngobeni and Bezuidenhout (2011:9964) as being the “strategic systematic and deliberate effort to develop competencies in potential leaders through purposed learning experiences such as targeted rotations and educational training in order to fill high-level positions without favouritism.”

These efforts of organizational commitment are described as extremely powerful tools to positively influence retention rates of an organization (Ngobeni and Bezuidenhout, 2011).

In agreement with other researchers, Samuel and Chipunza (2009) reiterate that managers today are seriously concerned about retention of skilled employees in the face of an increasingly high rate of employee turnover. Therefore, it is imperative for
management to reduce the frequency with which employees leave. High turnover can cause not only loss of productivity for the organization, but also a loss of business patronage and relationships, thereby jeopardising organizational goals (Samuel and Chipunza, 2009). Recent studies show that the retention of highly skilled employees has indeed become a great challenge, as this category of workers are being attracted by more than one organization at a time, each offering different incentives.

As stated by Samuel and Chipunza (2009) in South Africa skilled employees are migrating daily to employers abroad, which had a negative effect on investment in employees. This study indicates that South African employees ranked amongst the top levels in countries like the USA, Italy, Germany, Brazil and Britain (Samuel and Chipunza, 2009). It is stated that against this background, organizations would need to find ways of implementing effective strategies to keep employees committed and reduce turnover.

The training of employees is a good indicator of management’s commitment to building life-long relationships with employees, and therefore this influences turnover decisions. Literature review in the study by Samuel and Chipunza (2009) indicate that employees leave because of unacceptable hiring practices, poor managerial style, lack of job security, lack of promotions and training and development opportunities. It is also stated that managers have not succeeded in identifying these problems accurately, and have therefore not used these factors to retain employees (Samuel and Chipunza, 2009). This study further indicates that the dysfunctional turnover, where good employees leave and bad employees stay, could be very detrimental to the organization. This tendency demonstrates poor organizational commitment and cause damage to the organization as far as poor innovation, delayed services, ineffective implementation of programmes and low productivity is concerned (Samuel and Chipunza, 2009).

The managerial implications of the study by Samuel and Chipunza (2009) were that organizations should invest largely in the education and training of employees, as development proved to be one of the best ways to retain capable employees. This study also found that the intrinsic motivational variables such as training and development and the sense of belonging to the organization proved to have influenced retention of employees substantially (Samuel and Chipunza, 2009). This
was consistent with studies conducted by Smit and Cronje (2002) who found that training and development was one of the best strategies used by managers to retain their most capable employees.

Ongori (2007) argues that organizational commitment is an affective response, indicating the degree of loyalty that employees show towards the employer. He is of the opinion that the degree of commitment of employees can be reached if management strives to enrich jobs and empower employees to do this properly. This study also highlighted the fact that employees would leave organizations which they find to be unstable, and rather opt to seek stable organizations where they would be able to have a fair prediction of their career advancement (Ongori, 2007). One of the aspects of organizational commitment explored in this study was the need of employees who share the same organizational values, to be informed and to be part of the decision-making process. In the absence of such empowerment strategies for employees, the chances of the continuity of employees appeared to be very low in these organizations.

Although Malik et al. (2011) affirmed Ongori’s opinion, these findings indicated that the perceived investment in an employee’s development should be further investigated in terms of the relationship between demographic factors, perception regarding investment in employee development and work attitude. Malik et al. (2011) noted that the idea of perceived investment in an employee’s development could be defined as the assessment of the commitment of the organization to help employees learn new skills, allowing them to progress in their careers. This study indicates that employee development demonstrates that the organization values the contributions of employees and that management cares about their employability. As a result, employees would demonstrate positive attitudes and an obligation towards the organization (Malik et al. 2011). This study encourages sustained employee development programmes.

Anis, Ur-Rehman, Ur-Rehman, Khan and Humayoun (2011) studied the impact of organization commitment on job satisfaction and employee retention within the pharmaceutical industry. Organizational commitment was defined in this study as a being a psychological stabilising force that helps individuals to take the necessary and relevant action to benefit the organization (Anis et al., 2011). Like Malik et al.
Anis et al. (2011) is of the opinion that organizational commitment creates amongst individuals a sense of belonging and identification with the specific organization. This leads to a heightened desire by employees to follow the organization’s goals and activities and their commitment to remain part of the organization. It was concluded that an employee with a higher sense of organizational commitment was far less likely to be absent or engage in employee turnover (Anis et al., 2011). This study also highlights the fact that both compensation and supervision play a critical role as indicators of organizational commitment.

According to Anis et al. (2011) most studies on organizational commitment indicate that there are three components, namely:

- affective (emotional attachment)
- continuance (perceived costs associated with leaving the organization), and
- normative (employees feel an obligation to remain with the company).

There is a strong correlation between organizational commitment and job satisfaction as stated by Anis et al. (2011). They indicated that previous research described the relationship between organizational commitment and employee retention, or job satisfaction, but not covering both these aspects as dependent variables. The findings of Anis et al. (2011) show that a strong organizational commitment could enhance employee retention and job satisfaction, but that these two factors should be studied among employees of other industries.

The aspect of supervisory support is also indicated as having a positive effect on employees’ commitment to the organization. Anis et al. (2011) refer to the fact that literature which supports social and organizational culture, indicates that whenever subordinates are effectively supported by their supervisors, a positive outcome would be generated for both the organization and its employee. This supportive atmosphere holds benefits for both the supervisor and the employee, as the more competent and supportive the supervisor is, the more likely the employee will be to stay with the organization. As a result, supportive supervision enhances the impact on both organizational commitment and employee retention (Anis et al., 2011). Along with poor personnel practices, the lack of effective supervisory practices was also emphasised by Ongori (2007) as one of the factors that could lead to poor
retention. Ongori (2007) further concluded, like Anis et al. (2011), that the accessibility of knowledge by managers and the extent of organizational collaboration would make employees decide to stay in the organization.

The accessibility of information was found to have a very positive effect on organizational commitment of employees, as it created a strong organizational culture and lead to positive performance by employees (Ongori, 2007). Further to this statement, Ongori (2007) also found that when employees become involved and internalize the values of the goodness and importance of their work, they tend to have positive attitudes and intend to stay with the organization. The commitment of employees is described as being demonstrated by their job involvement, representing the extent to which employees are preoccupied with their jobs.

2.2.4 Recognition and reward

In terms of recognition and reward and its impact on retention of employees, Werner et al. (2011) argue that, in order to motivate employees and improve retention, there should be a direct link between performance and reward within the organization. With reference to the Porter Lawler model of motivation, Werner et al. (2011) have the following suggestions for motivation of employees for which they could be rewarded:

- Offer rewards to employees which they feel are valuable
- Managers need to create the perception that effort will lead to rewards
- Employees’ work have to be designed in such a way that efforts will lead to high performance
- Employ people who are qualified and are able to do the work required
- Train employees so that they can do their work effectively
- Design rewards that are directly linked to performance
- Organizations should ensure that rewards are perceived by employees to be fair and equitable.

Werner et al. (2011) reiterate that pay does positively influence performance provided that certain principles are maintained by the organization. Such principles include a fair and consistent basis on which to measure performance, a reward that
is in line with the expectations of the employee, and that the scheme should be perceived by employees as value for money.

Apart from monetary reward, the recognition of good performance is considered to be a great enhancer of employee retention. According to Werner et al. (2011), behaviour that is positively reinforced is likely to recur. Therefore, managers who wish to influence the performance of their staff need to ensure that good performance is recognised and followed by positive consequences. It is pointed out that ideally, good performance should not only be recognised, but should also lead to material benefits for the employees. Thus the importance of the clear link between performance and reward is emphasised.

Although monetary reward or pay is only one of the factors that influence performance and motivate people to stay in an organization, Werner et al. (2011) stated that the importance of matching the appropriate pay to the appropriate employee must be emphasised. Werner et al. (2011) warn that the complexity of remuneration systems are reiterated as these systems create a lot of emotions in an organization and should be carefully handled.

It is important that reward structures are continuously re-appraised and adjusted so that through these measures, the goals and rewards reinforce the performance management system, as held by Werner et al. (2011). A study conducted in South Africa concluded that most of the organizations do not think that their remuneration and reward structure are effectively adapted for team based structures.

As cited by Werner et al. (2011), Mohrman and Mohrman (2008) indicate three levels of reward:

- The business level which is a profit sharing plan to determine individual bonuses
- The team level where bonuses are based on the quality and productive output to determine the team performance
- Individual level based on individual performance
Werner et al. (2011) refer to reward power of managers which indicate that managers control the rewards that employees desire. It is recommended that managers clearly state their expectations in terms of employees’ behaviour that will be rewarded, and should further state the connection between the reward and relevant behaviour. The more managers succeed in rewarding the expected compliance, the more influence they will have over their employees.

Although intrinsic and extrinsic factors influence motivation of employees, Samuel and Chipunza (2009) are of the opinion that employees are more influenced by internal than external factors, i.e. recognition by managers, the work itself, the responsibility given to the employee and employee advancement and growth. In support of this view, Ukandu and Ukpere (2011) researched strategies to improve the level of employee motivation and stated that motivation increases the level of an employee’s performance, as well as his or her commitment in the workplace. These findings indicate that employees perform well if they are happy with their working conditions, which in turn leads to satisfied customers, greater production and lower staff turnover rates (Ukandu and Ukpere, 2011). Recommendations from this research include the empowerment of employees, involving employees in decision-making and recognising employees’ contributions to the success of the company.

Ukandu and Ukpere (2011) refer to Maslow’s theory of higher and lower order needs. This study emphasises that if lower order needs such as physiological and safety needs are met, the next need becomes more dominant (Ukandu and Ukpere, 2011). It is argued that in order to motivate someone, the level of need on the hierarchy should be clearly understood and the focus should then be on satisfying those needs within that particular level. According to Ukandu and Ukpere (2011) higher order needs such as motivation and self-actualisation can be satisfied internally, while lower order needs are externally satisfied. Samuel and Chipunza (2009) further elaborate on this theory with reference to Herzberg’s (1959) explanation of motivation that can be either intrinsic and extrinsic. Intrinsic factors include recognition, advancement in career, responsibility and achievement, while extrinsic factors are security, company policy, salary, supervision and interpersonal relationships, also referred to as “hygiene” factors (Ukandu and Ukpere, 2011:412). This study
revealed that employees are more motivated by intrinsic factors rather than extrinsic factors (Ukanda and Ukpere, 2011).

Koketso and Rust (2012) researched the challenges to talent management, which included failure to recognise and retain key talent within the Cape Town municipality. This study specifically focused on the reasons for the ever-increasing loss of talent in the public service. It was found that problems such as intention to turnover, lack of employee recognition and a resulting frustrated workforce were very evident.

The issue of pay satisfaction was noted in this research, as pay is often seen as a way of retaining talent in an organization. Literature revealed that the most common solutions managers use to keep staff are to pay talented people well and treat them accordingly (Koketso and Rust, 2012). Most researchers in this field of organizational behaviour agree that pay satisfaction is very important as a mediator between pay policy of an organization and the behaviour and attitudes of employees as a result of this. Pay satisfaction is described as a situation where current salaries of employees are equal to or exceed that which employees expect to be paid. However, other studies indicated that money is not always the reason why employees would stay in an organization.

A similar view is held by Chiboiwa et al. (2010) that, in organizations with low turnover, compensation is not the most common reason for them staying in the organization. This study indicated that most of these employees decided to stay because of intrinsic reasons such as job satisfaction and excellent relationships with colleagues and managers. It is important to note that the cause for dissatisfaction of employees is not the same as the factor that determines job satisfaction (Chiboiwa et al., 2010).

A survey conducted to determine why employees left, indicated that of the total of employees who left the organizations, only fifteen percent did so because they felt that their salary and benefits were not enough (Koketso and Rust (2012).

Koketse and Rust (2012) are of the opinion that employee recognition is extremely important as this literature suggests that employees are fully recognised for what they achieve and for a job well done. Recognition could be given in various forms,
and could be as simple as giving a hand-shake or a complimentary message as a means of recognising performance beyond what is expected from employees. This study further states that recognition is firmly embedded in literature as being an excellent instrument tool to retain employees as this motivates them and their need for esteem is met on a regular basis (Koketso and Rust, 2012).

In the study by Koketso and Rust (2012), lack of recognition is named as one of the major reasons in this study for employees leaving their organization. Further research in succession planning and the handling of talent management as a reward strategy was suggested (Koketse and Rust, 2012).

According to literature studies on employee recognition by Koketso and Rust (2012), recognition of employees through empowerment and participation is crucial for enhancing individual performance. One of the responses in this study indicates cases where managers steal the limelight from their subordinates’ hard work, and it is suggested that employees be fully recognised for their good work. In addition, management feedback is seen to be a form of recognition to employees, as a lack of feedback leads to high frustration amongst workers and as a result they leave the organization (Koketse and Rust, 2012). This study recommended further research into assessing managers’ competencies to manage talent within the organization.

Chiboiwa et al. (2010) formulate the need for human capital development as being at the centre of an organization’s success or failure, therefore the need for implementing employee retention strategies is of utmost importance as a form of retaining employees. This study found that employee turnover is high amongst non-managerial employees, due to the inability of the organization to satisfy the lower level of needs, i.e. working conditions, remuneration and job security. Further findings reveal that employees stay with an organization because of intrinsic reasons, such as good relationships and job satisfaction.

According to Chiboiwa et al. (2010), the new generation sees job satisfaction as the positive feedback they receive from management, and of the labour market. Therefore, they look for daily proof of this from the organization. This research suggests further studies on the intention of employees to leave the organization and recommends that managers need to understand why employees intend to leave, and
therefore will be in a position to formulate and implement retention strategies to combat turnover.

In conclusion, Chiboowa et al. (2010) recommend that management should not rely only on addressing intrinsic factors to positively influence employee retention. This study recommend a combination of both extrinsic and intrinsic variable to effectively improve employee retention strategies.

2.2.5 Employee retention strategies

Researchers agree that one of the fundamental challenges that organizations face is the inability to put in place effective strategies to not only recruit capable employees, but to retain them in order to achieve their organizational goals (Gberevbie, 2010). In this study, the focus was on creating awareness for human resource practitioners to give high consideration to recruitment strategies that focus on aspects such as merit appropriate qualifications, skills and experience. In addition, this study emphasised the importance of providing appropriate employee retention strategies for enhanced performance (Gberevbie, 2010).

Strategy is described by Gberevbie (2010) as a game plan to achieve organizational goals, of which the retention of capable employees was one that contributed to high performance. This study reveals that employees are more likely to remain and work for the successful achievement of these goals, if the organization provides and implements effective employee retention strategies. Examples of retention strategies are mentioned such as job satisfaction, appropriate rewards, performance pay, the creation of social community within the workforce and the image of the organization (Gberevbie, 2010).

In addition to the above employee retention strategies and those discussed by Chiboowa et al. (2010), Samuel et al. (2009) highlight the reasons for employee turnover, namely hiring practices, managerial styles, lack of recognition and compensation and poor workplace environments. This is in line with Gberevbie’s (2010) findings of the strategies that enhance employee retention. The findings of Samuel et al. (2009) include appropriate reward strategies will enhance retention,
and that employees with self-esteem and high self-actualisation drive have a need to be appreciated, but not necessarily through monetary rewards.

Mozafari et al. (2012) argue that recruitment strategies can play an important role as part of retention strategies. The study on seasonal employees by Mozafari et al. (2012) indicates that, for organizational citizenship behaviour it is recommended to have employees who are agreeable and sympathetic as well as caring and cooperative. Therefore, as part of the recruitment strategy, considering employee personality traits could be very valuable with the aim to retain those employees in the long run (Mozafari et al., 2012). This study further recommends that more research be focused on the distinction between the different concepts of support from both supervisors and colleagues, the question of camaraderie among employees, the social part of the job characteristic and feedback.

In the review of the employee turnover model studied by Zheng et al. (2010), it is suggested that the employee retention model may be established through the managing of the dynamic external and internal relationships among employees throughout the organization. Zheng et al. (2010) is of the opinion that the idea of the aligning of employee’s personal values and career goals for the future should be in correlation to the larger organizational culture.

In order for organizations to put together a retention strategy that will lead to tangible results in terms of retaining employees, the following major retention factors listed by Zheng et al. (2010) are noted:

- Job satisfaction
- Extrinsic rewards
- Constitution attachment (to individuals associated with the organization)
- Organizational commitment
- Organizational prestige
- Lack of alternatives
- Investments
- Advancement opportunities
- Location
- Organizational justice
• Flexible work arrangements
• Non-work influences

Further recommendations by Gberevbie (2010) are in line with the above, as this study indicated that in order to retain employees for organizational performance, strategies such as incentives, monetary rewards, promotion, job security and continuous training should be implemented.

Retention is described by Hausknecht, Rodda and Howard (2008) as a critical aspect of an organization’s approach to talent management. As a retention strategy, talent management is defined in this study as the “the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs” (Hausknecht et al., 2008:6). Hausknecht et al (2008) are of the opinion that retention strategies are specifically important to those skilled employees who are most responsible for determining the success of the organization, and should therefore be targeted for this group. As this study focused more specifically on the talent workers, job performance was studied as a key indicator of employee value.

It is assumed that high performers are most likely to possess the knowledge and skills required to contribute to the sustained success of the organization. It is for this reason that Hausknecht et al. (2008) examined employees at different job levels, on the premise that an organization’s most talented employees may attach different values to what the organization has to offer when they need to decide whether to stay or not.

Hausknecht et al. (2008) propose that although understanding the reasons why people stay is an important objective in retention strategies, it may be more important to know how these retention factors differ for high performers and those talent workers who are employed at different levels within the organization. For this reason, Hausknecht et al. (2008) warn that blanket retention policies may be disadvantageous if they appeal to employees at all levels of performance. It is argued that organizations might want to adopt particular strategies that are focused
on retaining their most valued employees whilst trying to avoid control methods that seem attractive to average or low performers (Hausknecht et al., 2008).

According to Hausknecht et al. (2008) most talent management programmes are aimed at developing and retaining the group of employees, who will in the near future, occupy leadership positions within the organization. It is for this reason that organizations can benefit from knowing whether reasons for retention differ based on the job level. This knowledge might then call for different retention strategies depending on where individuals work in the hierarchy of the organization.

In the conclusions of the study by Hausknecht et al. (2008), it is stated that very little research in the past examined the reasons why employees would stay, while testing whether those factors differ based on job level of job performance. In this study, the researchers developed a content model of employee retention that is grounded in theory and past research (Hausknecht et al., 2008).

The following table which links with the retention factors named by Zheng et al. (2010), indicates the Description and Definition of Retention Factors as compiled by Hausknecht et al. (2008), including citations from Price and Mueller (1981) and Steers (1977):
Table 2.1  Description and definition of retention factors. (Zheng et al., 2010)

<table>
<thead>
<tr>
<th>Retention factor</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advancement opportunities</td>
<td>The amount of potential for movement to higher levels within the organization</td>
</tr>
<tr>
<td>Constituent attachments</td>
<td>The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers</td>
</tr>
<tr>
<td>Extrinsic rewards</td>
<td>The amount of pay, benefits, or equivalents distributed in return for service</td>
</tr>
<tr>
<td>Flexible work arrangements</td>
<td>The nature of the work schedule or hours</td>
</tr>
<tr>
<td>Investments</td>
<td>Perceptions about the length of service to the organization</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>The degree to which individuals like their jobs</td>
</tr>
<tr>
<td>Lack of alternatives</td>
<td>Beliefs about the unavailability of jobs outside of the organization</td>
</tr>
<tr>
<td>Location</td>
<td>The proximity of the workplace relative to one’s home</td>
</tr>
<tr>
<td>Non-work influences</td>
<td>The existence of responsibilities and commitments outside of the organization</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>The degree to which individual’s identify with and are involved in the organization</td>
</tr>
<tr>
<td>Organizational justice</td>
<td>Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment</td>
</tr>
<tr>
<td>Organizational prestige</td>
<td>The degree to which the organization is perceived to be reputable and well-regarded</td>
</tr>
</tbody>
</table>

An effective approach to retention of capable employees implies that managers not only need to understand why employees stay, but also need to examine the different reasons for them leaving, which are based on what the organization is trying to accomplish through talent management strategies (Hausknecht et al., 2008). Owing to the fact that organizations have to deal with performance losses, the high cost of replacement of skilled employees and potential shortages of talent workers, organizations need to retain those who perform well. If not, all the mentioned
aspects will lead to the erosion of the core leadership base of the organization (Hausknecht et al., 2008).

The conclusion is that employers must attempt to retain high performers and replace low performers with talent workers who bring their appropriate skills and knowledge abilities to the organization. This idea is in agreement with both the recent talent management emphasis as described earlier, and arguments of several decades ago that concern turnover functionality (Hausknecht et al., 2008).

The findings from the research by Hausknecht et al. (2008), indicate that job satisfaction emerge as the primary retention factor. This is followed by extrinsic rewards and factors of constituent attachments. These results provide support for the theory of desirability of movement which was found in previous theories of employee turnover (Hausknecht et al., 2008). In addition, between ten and twenty percent of employees indicated that organizational commitment, lack of alternatives, and organizational prestige were reasons for staying. This is in line with previous research that revealed that organizational commitment, which is a strong indicator of resignations that will actually take place, is found in almost every contemporary employee turnover model, for example that of Griffeth and Hom, (1995) as mentioned by Hausknecht et al. (2008).

Another focus in the study by Hausknecht et al. (2008) looked at the differences in reasons why employees would stay with an organization across all performance levels and job levels. The study supports the theory that there is a difference between the retention profiles of high performers and that of low performers (Hausknecht et al., 2008.) It was found that high performers were more likely to stay because of good advancement opportunities, job satisfaction, organizational justice and organizational prestige than low performers.

Overall, and in the context of this study by Hausknecht et al. (2008), it seems that low performers expressed their reasons for staying being monetary rewards and benefits, rather than career advancement opportunities, fair treatment, or job satisfaction and how they view the company. It was found that, on the other hand, high performers stay because they feel they are treated fairly, they enjoy their connections with other colleagues and they believe that that there is a future for them with the company.
The general conclusion from this study is that the frequency with which employees reported that they stayed because of relational reasons as the job level increased was very high. These reasons included advancement opportunities, job satisfaction, organizational commitment, organizational justice, and organizational prestige.

An important recommendation by Hausknecht et al. (2008) is the fact that organizations should pay more attention to the role that organizational prestige play in the minds of employees as this strongly influences their decision to stay. Although the efforts by organizations to promote the brand or image have shown to have an influence on the applicant’s attraction to the organization at the initial recruitment phase, Hausknecht et al. (2008) conclude that organizational prestige also offers the benefits of retention for employees who are currently employed. Therefore it is recommended that organizations consider applying their marketing campaigns which are traditionally more typical of external recruitment, to the organization’s retention management strategy.

It is important to note that in agreement with previous recommendations, Samuel and Chipunza (2009) affirm that a comprehensive blend of extrinsic and intrinsic motivational variables need to be used in a retention strategy to enhance retention and reduce high turnover rates.

2.3 CONCLUSION

It is the line manager’s responsibility to ensure that a positive working relationship exists between themselves and their subordinates (Ngobeni and Bezuidenhout, 2011), and therefore the retention of employees is also a direct responsibility of managers who wish to ensure the future success of the organization. Through engagement of employees, evidence of organizational commitment, suitable rewards, recognition and feedback on good performance and effective retention strategies, management must continuously strive to become leaders who “lead with a heart” (Ngobeni and Bezuidenhout, 2011:9968). The result will be good retention of capable employees and the achievement of organizational goals and growth.

It is stated that engaged employees are better equipped to handle not only stress and change in the organization, but also to handle workplace relations, according to
Havenga et al. (2011). Organizations can therefore improve the well-being of their employees as well as increase productivity by understanding employee engagement which leads to organizational commitment and improved retention, which ultimately determines the success of the company. Employees who are rewarded and recognised in an effective way will in turn, repay the employer by staying and contributing to the success of the organization.
CHAPTER 3
RESEARCH DESIGN

3.1 INTRODUCTION

In the previous chapter, the literature review revealed that it is a major challenge for organizations to retain capable and talented employees. It was further revealed that current research indicated a limited knowledge about specific interventions to improve retention of employees. Aspects such as employee engagement, organizational commitment, recognition and reward and retention strategies, are all deciding factors that play a role in employee retention.

It has been concluded that the retention of employees is a direct responsibility of managers who wish to ensure the long-term success of the organization. Further research was recommended to determine why employees would stay with their employers. It was further concluded that organizations could play an important role in improving the well-being of employees through various retention strategies which would benefit the retention of employees, and determine the ultimate success of the organization.

In this chapter, an overview of the conceptual framework is presented which covers the various sub-problems as well as the main research problem. The researcher’s standpoint is explained through reference to the various assumptions of the research paradigm. The ontological, epistemological, axiological and methodological assumptions are discussed in relation to the standpoint of the researcher.

The various research designs will be discussed with reference to the two main research paradigms, namely positivistic and phenomenological or interpretivist. Thereafter, the specific research design used for this study will be discussed, indicating the researcher’s standpoint with which the research problem of improving employee retention of medium-sized businesses in the Garden Route is addressed. The validity of the research as well as the ethical issues involved will be highlighted.
Data collection in this study will be discussed with detail of the sample selected for this study. The focus will be on judgemental sampling and the non-probability sample design applied in the study. The questionnaire as the measuring instrument through which data was collected will be explained. Mention will be made of the confidentiality of the questionnaire, as well as the classification of data through the use of the nominal scale. Lastly, this chapter will deal with the analysis and interpretation of data through comprehension, synthesis and theorizing. The use of the content analysis method will be clearly explained, highlighting the advantages of this method in the qualitative design to interpret and understand the data.

3.2 CONCEPTUAL FRAMEWORK

In chapter three, the objective is to describe the research methodology used to investigate sub-problems one, two, three and four. These sub-problems to be investigated, are:

3.2.1 Sub-problem one:
Does engagement of employees contribute to improved retention of employees?

3.2.2 Sub-problem two:
Does organizational commitment of employees contribute to employee retention?

3.2.3 Sub-problem three:
Does the reward and recognition of employees contribute to improved retention?

3.2.4 Sub-problem four:
Do specific retention strategies within organizations help to improve employee retention rate of the organization?

After addressing the above four sub-problems, recommendations will be made to resolve the main research problem, together with the sub-problem five.
The main research problem is:

What are the factors that contribute to the improvement of employee retention in medium-sized businesses in the Garden Route?

3.2.5 Sub-problem five: Can the results which are obtained from the main problem and sub-problems provide sufficient recommendations to management which may be used to improve retention of employees within the organization?

3.3 RESEARCHER’S STANDPOINT

The philosophical assumptions underpinning the main paradigms, namely quantitative and qualitative, are the ontological assumption, the epistemological assumption, the axiological assumption and the methodological assumptions (Collis and Hussey, 2009). According to Collis and Hussey (2009) these paradigms are interrelated.

The ontological assumption deals with the nature of reality. As the researcher’s standpoint follows the qualitative approach, this implies that the researcher is of the view that social reality is subjective, as it is socially constructed. This further indicates that the researcher is of the opinion that each person sees his or her reality differently and therefore there a multiple of realities and perceptions (Collis and Hussey, 2009).

The epistemological assumption is concerned with what is accepted as knowledge that is valid (Collis and Hussey, 2009). This assumption involves the study of the relationship between the researcher and his or her topic of interest. An interpretivist attempts to shorten the distance between the content of the research and the researcher himself. The researcher of this study was involved in different forms of enquiry. These included telephonic conversations as well as face to face interviews. Therefore the epistemological standpoint is relevant for the researcher in this study.
The role of values is the key concern in the axiological assumption (Collis and Hussey, 2009). The researcher of this study acknowledges that the research is value-based. Even though the researcher has values which have not been made explicit in this study, these values helped the researcher to determine what could be recognised as facts, and interpretations were drawn from this information. The researcher was involved in what was researched.

The fourth assumption which describes the standpoint of the researcher is the methodological assumption, which is concerned with the process of the research (Collis and Hussey, 2009). The process of this research involved a small sample, namely ten middle managers representing five medium-sized businesses in the Garden Route. In the study of employee retention, the researcher aimed to seek and in-depth understanding of what is happening with regards to employee retention through obtaining different perspectives. The researcher looked for patterns and analysed similar situations to gain insight into the phenomena of employee retention.

3.4 RESEARCH DESIGN AND PARADIGM

As described by Collis and Hussey (2009), research design is the technique used to plan the procedures which are utilised for the conducting of a study in order to provide valid answers to the research problem studied. Through the establishment of a research design, the researcher will have a more focused plan to guide and focus the research. The first step for the researcher is to formulate the problem, after which the research design is developed. It is important to note that the choice of paradigm has an important impact on the choice of research strategy to be undertaken. This choice also has important implications for the methods of data collection and analysis (Collis and Hussey, 2009). The two main research designs are the positivistic paradigm and the phenomenological paradigm, or interpretivism.

It is important to note that the main feature of the positivistic paradigm is the fact that the world is seen as external and objective (Collis and Hussey, 2009). Positivism is underpinned by the view that reality is independent of the world around us, and its goal is to discover theories that are based on empirical research. This approach is characterised by logical reasoning, objectivity and rigorous research (Collis and
Hussey, 2009). The explanations in the positivistic paradigm are formed by establishing causal relationships between variables and then linking these to a deductive or integrated theory.

A positivistic paradigm implies that research is based on observation and experiment (Collis and Hussey, 2009). The approach is objective and rigorous. Theories provide the basis of explanation, and phenomena can be anticipated and predicted, therefore it can be controlled. Between the variables, causal relationships are explored and are linked to a deductive theory. In a positivistic research design, quantitative methods are used in analysis. According to Collis and Hussey (2009), positivists believe that reality is stable and can be observed and described from an objective viewpoint, without interfering with the phenomena which is studied. Knowledge is therefore derived from “positive information”, as every justifiable theory can be scientifically proven (Collis and Hussey, 2009:56).

The phenomenological paradigm on the other hand, is described as being socially constructed and therefore subjective. Also known as the interpretivistic paradigm, the phenomenological paradigm is based on the belief that social reality is highly subjective because it is shaped by what we perceive. The researcher therefore interacts with that which is being researched (Collis & Hussey, 2009). This design therefore focuses on the exploration of the complexity of the social phenomena in order to gather interpretive understanding. It is humanistic in nature and the aim is to interpret and understand. Therefore, findings are not derived from the statistical analysis of quantitative data, but from qualitative data collection.

An inductive approach is used to build the theory in a phenomenological paradigm. Collis and Hussey (2009) explain that the qualitative approach, being subjective, gives preference to language and description. This is further explained by Collis and Hussey (2009) by the fact that interpretivists use a range of methods that aim to describe and translate the meaning of the social phenomena that occurs.

In this study, the phenomenological paradigm is used as the study looks at improvement of employee retention in organizations, with the aim to find out what the reasons for poor retention are and how the problem can be addressed. The research
is therefore subjective, as what is heard and observed from responses is interpreted. As research was conducted through questionnaires and interviews, the researcher focused on interpreting and explaining the complexity of poor retention. The researcher made use of qualitative data collection.

According to Collis and Hussey (2009), qualitative data is usually transient and is understood within context. As qualitative data is associated with an interpretive methodology, it means that the findings usually have a high degree of validity. Validity can be described as the extent to which the findings of the research are accurate and truly reflective of the phenomena which is being studied (Collis and Hussey, 2009).

The grounded theory approach was used, which is described as being a methodology with a systematic set of procedures to develop an inductively derived theory about a certain phenomenon. The findings are given in a theoretical formulation of the reality which is being investigated (Collis and Hussey, 2009).

It is stated by Collis and Hussey (2009) that the ethical issues involved should be considered by the researcher. Participants should be informed of the purpose of the research, and if possible, their written consent should be obtained. To this effect, voluntary participation of respondents was stressed in this research, and people were not forced into participating in the research. Respondents were given information about what was required from them and an indication of the time it will take to complete the questionnaire was given.

In addition to the voluntary and ethical aspects of the research, anonymity and confidentiality was also explained. Participants were given the opportunity to remain anonymous and they were assured that they will not be identified with any of the opinions they expressed. This also contributed to a high response rate and participants could express themselves honestly and clearly (Collis and Hussey, 2009). Respondents were assured that the data they gave would not be traceable to a specific individual and that the data would be treated in strict confidence.
In order to adhere to the ethical requirements of this research, the anonymity and dignity of respondents were respected. The following checklist for ethical research (Collis and Hussey, 2009) was used by the researcher:

- The research process was not harmful to participants, either directly or indirectly
- The findings of the research was not harmful to others who were not involved in the research
- There was no violation of accepted research practice while conducting the research, analysing the data and making conclusions
- There was no violation of any community standards of conduct

In conclusion, the research design assisted the researcher in establishing a plan for conducting the study in order to provide true and valid answers to the questions. The data collection will now be discussed in more detail with regards to the sample and sampling design.

### 3.5 DATA COLLECTION

Data which is collected by the researcher can be classified as either population or samples. According to Collis and Hussey (2009) a population is a body of people who are being considered for statistical purposes. A sample is described as a subset of a population (Collis and Hussey (2009). In a phenomenological approach the sample size can be very small.

As the goal of the phenomenological approach is to gain rich and detailed insight into the complexity of the problem of employee retention, the sample used in this research is small. Ten middle managers, representative of five medium-sized businesses, form the sample of this study.

The way in which a researcher selects a sample can be done either on a random basis or a non-random basis. A random sample is when every member of the population has the chance to be chosen for a study (Collis and Hussey, 2009). In this case, the results obtained in the sample can be considered to be true or to be generalised to the whole population.
In the case where non-random sampling is chosen, the researcher selects the participants who will take part in the research questionnaire. This is more suitable for a phenomenological paradigm (Collis and Hussey, 2009). The different methods that can be used in non-random sampling include the following:

- Snowball sampling or networking, which makes it important to include people with experience of the phenomenon which is researched.
- Judgemental sampling is similar to networking, but here the researcher makes the decision before commencement of the survey. The researcher does not consider other contacts that may appear during the course of the research (Collis and Hussey, 2009).
- Natural sampling takes place when the researcher has little influence on how the sample is composed. It is important to note that the researcher should avoid a situation where the employer makes the selection of the sample in order to avoid bias.

In this study, the method used to select the ten middle managers was judgemental sampling. This sampling method implies that participants were selected on the basis of the strength of their experience in employee retention. The decision of the researcher to select these managers was made before the commencement of the research. No other contacts which might have arisen during the course of the study were used or followed up by the researcher. The focus was to gather an in-depth understanding of the perspectives of managers with regards to the complex problem of employee retention.

The sampling design used was the non-probability design, which indicates that it is arbitrary and subjective. Convenience sampling was used, as employees were available and easy to get hold of. This enabled the researcher to analyse questionnaires in order to interpret and explain the phenomena of employee turnover.

3.6 THE QUESTIONNAIRE AS MEASURING INSTRUMENT

A questionnaire is a method that a researcher can use to collect primary data, in which the sample of respondents can be asked a list of structured questions in order to get reliable responses (Collis and Hussey, 2009). It is important to identify the
variables about which the researcher needs to collect data, before the questions are designed in order to address the research question (Collis and Hussey, 2009). Open-ended questions are questions that allow respondents to answer in their own words. Respondents in this questionnaire were given the opportunity to answer the questions in their own words as the questions were open-ended. The structure of the questionnaire used in this study consists of a personal data section (Section A) and an information section (Section B).

The researcher conducted research through questionnaires with ten middle managers of five medium-sized business in the Garden Route, exploring data on understandings and opinions with regards to employee retention (Collis and Hussey, 2009). Questions were open-ended and respondents’ answers were explored in more depth. Data regarding independent variables namely lack of employee engagement, organizational commitment, recognition and reward and employee retention strategies, was collected.

Data of dependent variables was collected, focusing on cognitive and personal commitment, knowledge sharing, strong manager relationships, training, intrinsic and extrinsic motivation, the link between performance and reward, feedback, job satisfaction and reasons why employees stay.

Respondents were aware that interviews were confidential. Some questions as formulated by Ukanda and Ukpere (2011) were used, as their responses have been tested. In addition, the researcher used questions from the Gallup Workplace Audit (Harter et al, 2003) to formulate questions as these have been tested.

The anchoring scale used was the nominal scale, which is the naming of variables or a classification of data by using numerical codes to name categories that allow for statement of equality or difference, indicating no order, distance or origin (Collis and Hussey, 2009).
The questionnaire was compiled in such a way as to allow for a structured and systematic capturing and analysing of the data. It had two sections, namely Section A and Section B. Questions from Section A collected data about gender, age, qualification, job-title and work experience. Please refer to Annexure 2.

After respondents completed Section A, they needed to complete Section B which contained open-ended questions relating specifically to information on employee retention where the four variables of employee engagement, organizational commitment, recognition and reward and retention strategies were addressed. Respondents were given the list of retention factors which they could use in formulating their responses for Section B in order for them to clearly understand each concept relating to employee retention. Please refer to Annexure 3.

In the measuring instrument, the following types of questions previously used in similar studies, included the following:

1. **Employee engagement:**
   1.1 What, in your opinion, are the key initiatives that lead to employee engagement?
   1.2 Do your employees perform at a level which is higher than is expected of them? Please give reasons why, in your view, this is the case?
   1.3 Do employees share their knowledge, experience and wisdom in the organization? Please give reasons for your answer.
   1.4 Is the CEO physically involved in the process and policies to promote employee engagement? What in your view is the impact of the CEO’s involvement, or lack of involvement, on the involvement of employees?

2. **Organizational Commitment**
   2.1 In your view, do employees experience a sense of organizational commitment towards the employer? Please explain your view briefly.
   2.2 Do employees share the values of your organization, and what impact does that have on their commitment towards the organization?
2.3 Please indicate what training initiatives your organization offers to encourage development, and how that impacts on organizational commitment of employees?

2.4 Do employees know what is expected of them? Please discuss briefly.

3. Recognition and reward

3.1 Are employees motivated in your workplace? Please give reasons for your view.

3.2 Are employees motivated by extrinsic rewards in the organization such as money and benefits? Please explain your view briefly.

3.3 Do you think that employees are motivated to stay at the workplace because of intrinsic rewards such as career development and recognition? Please explain your view briefly.

3.4 Have employees in the last six months, experienced feedback and discussion about their progress? What do you think the impact of this is on the decision of an employee to stay or not to stay?

4. Retention strategies

4.1 Are you aware of specific attempts within your organization to keep capable employees? Please give reasons for your answer.

4.2 Do employees experience job satisfaction in your organization? Please explain your answer.

4.3 Are employee personality traits (characteristics) given consideration in your organization’s current recruitment policy in order to retain valuable employees in the long-run? Please explain your view.

4.3 In your view, what are the three strategies that your organization could implement to encourage employees to stay with the organization?

The above questions were first discussed with each respondent, both telephonically and then via interviews. The use of a telephonic distribution method allows for personal contact with the respondents (Collis and Hussey, 2009) and an explanation of the questions in order to ensure a clear understanding by the respondent. In
addition, the purpose of the survey was explained to all respondents as they needed to know the subject of the interview as well as the context in which questions were asked (Collis and Hussey, 2009). The voluntary participation of respondents was stressed, and a cover letter accompanied the questionnaire which clarified this.

Interviews are described as methods that are used to determine selected respondents’ feelings and thoughts about specific matters (Collis and Hussey, 2009). Interviews were conducted with respondents, either telephonically or face-to-face. For this study, respondents completed a self-completion questionnaire, using the structured interview with open-ended questions, allowing the respondents to answer using their own words. Each response was analysed carefully, in order to identify key words or phrases across all the responses received (Collis and Hussey, 2009). Answers were placed in a category with a numerical code representing a nominal variable.

The reliability of the research is very important. Collis and Hussey (2009) describe reliability as being concerned with the findings of the specific research. These findings could be described as reliable if they are repeated in research elsewhere, and the same results are obtained. The validity of the research has to do with the extent to which the findings of the research accurately represent the true situation (Collis and Hussey, 2009). In this study, the true reflection of employee retention is therefore very important.

The questions asked in the questionnaire correspond with the explanation that was given to respondents, with regards to the purpose of the study. The questionnaire was tested with the research supervisor as well as two of the respondents. Minor adjustments were made to the phrasing of questions to ensure clear understanding of what is being asked and to obtain valid responses before all questionnaires were finally distributed to respondents. Respondent validity was obtained through discussing the findings with participants to obtain further responses and opinions. This ensured an in-depth understanding of the perceptions of respondents.
3.7 DATA ANALYSIS AND INTERPRETATION

In the open-ended questions that were used, the responses could not be anticipated beforehand. This resulted in qualitative data that could not be coded until all responses were collected (Collis and Hussey, 2009). It is suggested by Morse (1994) as cited by Collis and Hussey (2009) that there are three key elements in the process of analysing qualitative data:

- Comprehending: this is described as having the full understanding of the culture, setting and study topic before the research begins. It is recommended that the researcher does not necessarily have to be familiar with the literature at the start of the study, but should remain objectively removed from it so that new information can be discovered without preconceptions.

- Synthesising of information: this refers to the drawing together of correlating themes and ideas from the study. New and integrated patterns should be formed from this information, and data is reduced to give a general description or explanation of what is happening.

- Theorising: refers to the “constant development and manipulation of malleable theoretical schemes until the best theoretical scheme is developed”. (Collis and Hussey, 2009:168). In qualitative data, theory gives the data proper structure and application of the information. The collected data can be confronted with alternative explanations and patterns can be tested with chosen respondents who can verify the conclusions.

All three approached to analysing the data were used by the researcher in this study. The qualitative research design requires a systematic approach, therefore it is important that the researcher is very familiar with the data (Collis and Hussey, 2009).

The content analysis method (Collis and Hussey, 2009) was used for quantifying the qualitative data in this study. This is a method used to select items of the qualitative data and then systematically convert these to numerical data. Content analysis is also described as being a “diagnostic tool of qualitative researchers” (Collis and Hussey, 2009:164) which they can use when faced with large volumes of open-ended material to interpret and of which to understand. The amount of data collected in this research was manageable, and therefore all data was analysed.
The next step in the analysing of the data was to determine coding units according to a particular theme or word found in the material. These codes are used in qualitative data to separate, compile and organise data (Collis and Hussey, 2009). Open coding is described as the identification, analysis and categorisation of the raw data. After determining the coding units, a coding frame (Collis and Hussey, 2009) was established. The content analysis offered an advantage to the research, as a sample had to be selected and the researcher had a permanent record which could be re-examined many times for interpretation. This method was also non-obtrusive (Collis and Hussey, 2009) which implies that the subjects of the research were not likely to be influenced by the researcher’s interest.

The systems and procedures used to conduct content analysis were very clear, which lends a high degree of validity and reliability to this research. However, it is also contended that content analysis might pose problems such as that its “theoretical basis is unclear and its conclusions can be trite”, according to Collis and Hussey (2009:166). It could also be construed that if the researcher selects only the words and phrases that have been determined to be of interest, this could result in large amounts of data being ignored. In this research all data was used, therefore the understanding of the phenomena of employee retention occurred at a deep level. Lastly, the method of content analysis is time-consuming and requires an approach that is consistent. It also requires a high level of concentration level.

In the interpretative paradigm, the researcher seeks richness and depth of data. Therefore it makes sense to limit the scope of the study as advised by Collis and Hussey (2009). By reducing the data through limiting the scope and conducting only ten interviews through questionnaires, the researcher ensured more focus. There were mainly two methods used for limiting the scope of the study, namely the reduction of data and the restructuring of data.

Data reduction can be described as “discarding irrelevant data and collating data where relationships of interest exist”, according to Collis and Hussey, (2009:167). The researcher used reflection as a key element of interpretative data collected in
this study in order to come to an in-depth understanding and to make sense of the behaviour of respondents. In addition, the data was restructured to fit a suitable structure that emerged as the data collection was finalised. A total of ten questionnaires were distributed and ten were received back by the due date. Below, the results are illustrated in table format.

Table 3.1: Response rate.

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns</td>
<td>10</td>
</tr>
<tr>
<td>Non-returns</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
</tr>
</tbody>
</table>

In the next table, Table 3.2, the age group of respondents is illustrated. Fifty percent were between the ages of 30 - 39 years, while thirty percent fell into the 40 – 49 years category. Twenty percent of the respondents were between 50 – 59 years.

Table 3.2: Age group of respondents.

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th>Age group</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30 – 39 years</td>
<td>5</td>
<td>50%</td>
</tr>
<tr>
<td>40 – 49 years</td>
<td>3</td>
<td>30%</td>
</tr>
<tr>
<td>50 years and above</td>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>

In Table 3.3 below, the gender of respondents are illustrated. Sixty percent were males and forty percent were females.
Table 3.3: Gender of respondents.

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th></th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>Female</td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>

The qualification levels of respondents are illustrated in Table 3.4 below. These levels were spread between post-matric and post-degree levels. The reason for the spread could be attributed to the requirements of each job, as some middle managers required an NQF 5 level qualification only, while other job levels required a degree. Fifty percent of middle managers had an NQF 5 level of qualification, while forty percent was on NQF 6 level. One middle manager had an honours degree.

Table 3.4: Levels of qualification

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th>Qualification level</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>NQF 5 (certificate)</td>
<td>5</td>
<td>50%</td>
</tr>
<tr>
<td>NQF 6 (diploma / certificate)</td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>NQF 7 (degree)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NQF 8 (post-degree)</td>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>

The number of years that respondents have been in middle management positions are indicated below in Table 3.5. Job titles included that of Human Resource Coordinator, Production Manager, Shift Manager, Customer Relationship Manager, Financial Analyst, Branch Manager and Social Development Coordinator. The majority of respondents have between six and ten years’ experience as managers, and only two have between ten and fifteen years’ experience. Therefore these respondents have been exposed to team management and the issue of retaining employees.
Table 3.5: Number of years that respondents have been managers

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th>Number of years in management position</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 5 years</td>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>10 – 15 years</td>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 3.6 gives an indication of the total number of years of working experience of each respondent. The majority of respondents have worked for longer than ten years.

Table 3.6: Total number of years’ experience

Source: Questionnaire, Section A, Annexure 2

<table>
<thead>
<tr>
<th>Number of years in management position</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 – 10 years</td>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>16 – 20 years</td>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>21 – 25 years</td>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.8 CONCLUSION

In this chapter the conceptual framework of the research was established, stating the various sub-problems as well as the main problem of the research, namely what the factors are which contribute to employee retention in medium-sized businesses in the Garden Route. After the framework was set out, the researcher’s standpoint was explained, focusing on the cosmological, ontological and epistemological assumptions.
The research design was discussed with reference to the difference between the positivistic and the phenomenological paradigm. The fact that the phenomenological paradigm is based on the belief that social reality is highly subjective as it is formed by what people perceive, was highlighted. Mention was made of the in-depth interpretation of data and the high degree of validity of the research. Voluntary participation by respondents as well as the confidentiality of data was stressed.

In the data collection section, the sample size and sampling design was discussed, after which the measuring instrument or questionnaire was explained. The two sections of the questionnaire were explained, namely Section A, containing the classification data of which the results have been indicated, and Section B, containing the information about employee retention. Lastly, the data analysis and interpretation of the data was discussed, with reference to the content analysis method and reflection as a key element of interpretative data collection. The limiting scope of the study was explained and the reduction of data discussed as a method to achieve focus.

In the next chapter, the findings of the research will be analysed and interpreted by using an open coding system.
CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

In Chapter 3 the research methodology was discussed, which included the research design and the data collection methods. The biographical details of respondents were summarised and interpreted. The questionnaire was discussed which was designed to evaluate the following key aspects of employee retention:

The primary objective was to investigate strategies to improve employee retention within five organizations within the Garden Route by investigating the various contributing factors to employee retention.

The secondary objectives were to investigate the roles that the following key aspects play in employee retention:

- The impact of employee engagement on retention of employees
- The impact of organizational commitment on employee retention
- Whether reward and recognition lead to improved retention of employees
- Specific retention strategies used to improve employee retention

The four statements above were utilised to evaluate the improvement of employee retention in five organizations in the Garden Route.

Data analysis is done through content analysis using open coding. The data collected is used and discussed in relation to the result of the questionnaires and presented through a coding frame. Coding units are used, namely particular words or phrases which are found in the material. These are presented in tables, indicating the word or phrases and its relating responses. As this is a qualitative approach, the researcher used the interpretative design to gain an in-depth understanding of the responses for a rich and detailed insight into the phenomenon of employee retention.

A discussion of each question is done in greater detail, while making use of credibility and triangulation through using different sources. In addition, the researcher used
the criteria of transferability, dependability and confirmability in the evaluation of the data. Data is compared and referenced to the theory as outlined in Chapter two.

4.2 ORGANISING OF DATA

The verbatim responses of respondents were captured in table form according to an open coding system. Please see Annexure 4 for verbatim responses.

Data collected was based on the four key aspects of employee retention as indicated in the following sections:

4.2.1 Employee Engagement

The first four questions of the questionnaire were formulated to evaluate the extent to which employee engagement takes place in the organization. Employee engagement is described as a psychological state in which employees feel a vested interest and willingness to perform at a higher than expected level (Ngobeni and Bezuidenhout, 2011).

Responses from respondents indicate their perceptions to Question 1 on the following issues:

- The key initiatives that lead to employee engagement.
- Performance of employees at a level which is higher than is expected of them.
- The sharing of knowledge and wisdom in the organization.
- The involvement of the CEO in the promotion of employee engagement and its impact on employee engagement.

Verbatim responses are indicated in Annexure 4, Table 1.

4.2.2 Organizational commitment

The second set of four questions of the questionnaire were formulated to evaluate the extent to which organizational commitment takes place in the organization and how this contribute to employee retention. Organizational commitment is described as the degree to which individuals identify with and are involved in the organization (Werner et al, 2011).
The perceptions of respondents on how they view organizational commitment were collected in terms of the following key aspects:

- Do employees experience a sense of organizational commitment towards the employer?
- The sharing of values of the organization and the impact of that on employees' commitment to the organization.
- Training initiatives undertaken by the employer to encourage development, and the impact of these on the organization.
- Whether employees have a clear understanding of what is expected of them.

Verbatim responses are indicated in Annexure 4, Table 2.

4.2.3 Recognition and reward

The third set of four questions of the questionnaire was formulated to evaluate the extent to which recognition and reward takes place in the organization and how this contribute to employee retention. Ukanda and Ukpere (2011) describe intrinsic rewards as being recognition, career advancement responsibility and achievement, whereas extrinsic rewards include aspects such as security, company policy, salary, supervision and interpersonal relationships.

In this section, respondents gave feedback on the following key aspects of recognition and reward:

- The motivation of employees at the workplace.
- Whether employees are motivated by extrinsic rewards such as money and benefits.
- Motivation because of intrinsic rewards such as career development opportunities and recognition.
- Whether employees received feedback in the last six months and its impact on employees’ decision to stay or not.

Verbatim responses are indicated in Annexure 4, Table 3.
4.2.4 Retention strategies

The fourth section containing four questions of the questionnaire was formulated to evaluate the extent to which retention strategies can contribute to employee retention. According to Gberevbie (2010) strategy is a game plan to achieve organizational goals, and retention of employees is one such strategy that can be applied to enhance performance.

The following key aspects were addressed in the questionnaire with regards to retention strategies:

- Specific attempts within the organization to keep capable employees.
- The question of whether employees experience job satisfaction in the organization.
- Whether the organization considers the use of employee personality traits in the current recruitment process to retain valuable employees.
- The three most valuable strategies identified by respondents to encourage employees to stay.

Verbatim responses are indicated in Annexure 4, Table 4.

4.2.5 Organising of data through coding guide

The data is organised through developing a coding guide. The following tables indicate the open coding used within a coding frame:

**Question 1: Employee engagement**

Table 4.1 Coding guide employee engagement

<table>
<thead>
<tr>
<th>CODING UNIT</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Key initiatives for employee engagement</td>
<td>Examine ways in which employee engage</td>
</tr>
<tr>
<td>1.2 High performance</td>
<td>Examine reasons for high performance</td>
</tr>
<tr>
<td>1.3 Sharing of knowledge</td>
<td>Examine circumstances under which employees share knowledge</td>
</tr>
<tr>
<td>1.4 Involvement of CEO</td>
<td>Examine impact of involvement of CEO on staff</td>
</tr>
</tbody>
</table>
Question 2: Organizational commitment

Table 4.2 Coding guide organizational commitment

<table>
<thead>
<tr>
<th>CODING UNIT</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Evidence of organizational commitment</td>
<td>Examine why employees are committed and why not</td>
</tr>
<tr>
<td>2.2 Sharing of values</td>
<td>Examine impact of employees who share the values of the organization</td>
</tr>
<tr>
<td>2.3 Training and development</td>
<td>Impact of training opportunities on organizational commitment</td>
</tr>
<tr>
<td>2.4 Clarity of job expectations for employees</td>
<td>Examine impact on organizational commitment</td>
</tr>
</tbody>
</table>

Question 3: Recognition and reward

Table 4.3 Coding guide recognition and reward

<table>
<thead>
<tr>
<th>CODING UNIT</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Motivation</td>
<td>What motivates employees?</td>
</tr>
<tr>
<td>3.2 Extrinsic rewards</td>
<td>Examine impact on employees’ decision to stay</td>
</tr>
<tr>
<td>3.3 Intrinsic rewards</td>
<td>Examine impact on employees’ decision to stay</td>
</tr>
<tr>
<td>3.4 Feedback</td>
<td>Examine types of feedback and impact on decision to stay</td>
</tr>
</tbody>
</table>

Question 4: Retention strategies

Table 4.4 Coding guide retention strategies

<table>
<thead>
<tr>
<th>CODING UNIT</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Existing attempts to retain employees</td>
<td>Examine types of strategies currently being used</td>
</tr>
<tr>
<td>4.2 Job satisfaction</td>
<td>Examine reasons for job satisfaction</td>
</tr>
<tr>
<td>4.3 Personality traits during recruitment process</td>
<td>Impact of considering personality traits to retain talent</td>
</tr>
<tr>
<td>4.4 Most valuable retention strategies recommended</td>
<td>Examine best strategies to improve employee retention</td>
</tr>
</tbody>
</table>
4.3 ANALYSIS AND INTERPRETATION OF DATA

The responses of respondents were analysed and interpreted based on the verbatim feedback collected via questionnaires. The researcher used verbal responses from participants and insight gathered during interviews to get an in-depth understanding of the problem question of employee retention as perceived by respondents. As the reliability of the research is very important, it is concerned with the findings of the specific research as collected via the questionnaires and interviews. Findings from this research can be described as reliable as they are repeated in the literature study, and very similar results have been obtained.

The validity of the research has to do with the extent to which the findings of the research accurately represent the true situation. In this study, the true reflection of employee retention as perceived by the middle managers of the five businesses in the Garden Route is given in the following analysis.

4.4.1 Employee engagement

Table 4.5 Coding unit 1.1

<table>
<thead>
<tr>
<th>CODING UNIT 1.1</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE WAYS IN WHICH EMPLOYEES ENGAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key initiatives for employee engagement</td>
<td>The sharing of information and the linking of company objectives to work activities are stated as being key aspects of employee engagement. Encouragement of involvement and relatively good salaries are further mentioned as key aspects. Active implementation of policies such as Employment Equity and an Employee Wellness programme contributes to engagement of employees. Training and career development are mentioned to have a positive impact on employee engagement. Some managers mentioned that feedback on progress and by involving employees in team talks also contribute positively. Good communication was highlighted as positive aspect of getting employees engaged.</td>
</tr>
</tbody>
</table>

The above statements in Coding unit 1.1 are positively supported by some of the literature research in Chapter 2. Werner et al. (2011) emphasised that engaged employees share their knowledge and insights with others as a benefit to the company. A flexible workplace policy that encourages participation of staff, such as
the Employee Wellness programme, improves employee engagement according to Ngobeni and Bezuidenhout (2011). The fact that staff development through training and succession planning is an important aspect of employee engagement is supported by the statement from Ngobeni and Bezuidenhout (2011) that organizations need to nurture and grow future talent through training in order to keep employees and prepare them for leadership roles in the future. As one manager commented, “We have recently started a career development programme for staff that was identified as possible leaders,” (Annexure 4, Table 1, Respondent 4). This organization indicated a high level of employee engagement where employees are described as being engaged and love what they do.

Ongori (2007) held that employees could be retained if the employee’s time was well used and if high commitment from management was evident. This includes positive feedback and a clear scope of work communicated by managers as stated by Havenga et al. (2011). Ng and Tay (2010) also supported this statement by referring to that fact that employees would perform better and stay longer if they were empowered with learning opportunities to discover their potential.

Table 4.6 Coding unit 1.2

<table>
<thead>
<tr>
<th>CODING UNIT 1.2</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE REASONS FOR HIGH PERFORMANCE AND LACK OF PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>High performance</td>
<td>Managers who responded positively to whether employees perform at a level higher than is expected from them share some interesting aspects. Where employees have experienced growth in the company, they have performed at a higher level. Good performance management systems are mentioned that result in high performance which goes together with performance bonuses. Mention is made of older employees who are secure in their jobs and have a history with the company who go the extra mile. In another instance the manager indicated that those who do perform well do so because they love their jobs. Other reasons for high performance were self-motivation, trust from senior management and teamwork. The fact that some employees displayed a personal obligation to account for the work that they do was mentioned.</td>
</tr>
</tbody>
</table>

In the cases where employees did not perform higher than was expected, the following reasons were given:
Not taking ownership leads to just doing what is required and no more

Unrealistically high expectations and no positive re-enforcement make people demotivated and therefore they do not go the extra mile. Those who can leave the company do so.

A mentality of “us against them” causes employees not to perform highly and they expect financial rewards when they do. (Lack of teamwork).

Ngozwana and Rugimabana (2011) viewed the dedication to work as one of the most important elements that would improve employee retention rates. This is in line with the above response from Coding unit 1.2 that those who love what they do, also perform higher than is expected of them. This view correlates with the statement by Werner et al. (2011) that employees who are not only emotionally engaged but also cognitively, do more than is expected of them. With regards to linking higher performance to monetary rewards, this Ngobeni and Bezuidenhout (2011) agree that in order to have improved retention of employees, the workforce policy should encourage amongst other things, rewards that are customised. One respondent’s comment supports this by the statement that “…good performance is rewarded with better performance bonuses…this also encourages higher levels of performance” (Annexure 4, Table 1, Respondent 2).

Engaged employees are said to build strong relationships with both colleagues and managers, as stated by Werner et al. (2011). This correlates with the statement from respondents with regards to self-motivated employees who feel that their managers trust them. Because employees are motivated and engagement is embedded in the organization’s culture, their willingness to go the extra mile is described as being an “affective engagement”, (Havenga et al., 2011:8805) again affirming the managers’ response to this aspect of employee retention.

In contrast to engaged employees delivering high performance, respondents report that those employees who are not engaged experience a lack of ownership in the organization, as well as lack of positive feedback (Coding unit 1.2). This is confirmed
by the concern from Ngobeni and Bezuidenhout (2011) that too little feedback and lack of recognition are threats to employee engagement and retention. The comment by managers that too high expectations (including an overload of policies and procedures) and understaffing cause demotivation amongst employees, is confirmed by Ng and Tay (2010) that if job demands are very high, employees would feel exhaustion and disengagement. This is especially relevant when job resources are low and an overload of policies and procedures are prevalent.

Table 4.7 Coding unit 1.3

<table>
<thead>
<tr>
<th>CODING UNIT 1.3</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE CIRCUMSTANCES UNDER WHICH EMPLOYEES SHARE KNOWLEDGE</th>
</tr>
</thead>
</table>
| Sharing of knowledge | Employees do share their knowledge and skills with others when they work together in teams. Structured procedures for team leaders to do training during probation periods are also evident. Managers encourage those trained employees to share their knowledge. Although it is mentioned that there is higher staff turnover on the lower levels, the one manager is of the opinion that on the senior levels employees do share their knowledge by working across various departments. This creates a positive atmosphere. One respondent gave an example of how his knowledge sharing led to the promotion of an employee to a permanent position. Employees who work in close proximity with one another share knowledge readily. Through means of an organizational culture that encourages interaction, various arranged interaction sessions take place and knowledge is shared. The benefit of solving problems together in speedy way is mentioned by a respondent. In cases where employees are hesitant to share knowledge, reasons given are the following:  
  - Employees feel threatened by other employees who might progress faster than them, and therefore hold on to their knowledge.  
  - Due to work pressure and understaffing, staff are prevented from sharing knowledge and view this as a luxury. |

Most employees who knew clearly what they needed to do and had the chance to utilise and share their skills at work, are engaged at their workplace according to Ngobeni and Bezuidenhout (2011). This view correlates with that of respondents I Coding unit 1.3 who indicated that employees share knowledge within teams, as well
as within a structured organizational culture which allows interaction between managers and teams to take place. Werner et al. (2011) confirm this view by stating that engaged employees succeed in forming strong relationships with their colleagues and thereby showing organizational citizenship. The fact that respondents indicated that managers work across departments where they demonstrate sharing of knowledge, is proof of such engagement. Ongori (2007) agrees with this statement by commenting that managers should act as coaches and help employees to solve problems.

Recommendations made by Ongori (2007) were to empower employees and not to overload them. He stated that indirect costs associated with poor retention such as low morale and pressure on remaining employees can be combated by ensuring continuity with the organization through empowerment as well as successful delegation of decisions to subordinates. This view agrees with that of the respondents in Coding unit 1.3 who gave reasons why employees do not share their knowledge due to pressure on staff because of insufficient employees and feeling threatened by other employees. As one respondent revealed, “…due to huge pressure on all staff…nobody has the luxury to engage in this practice” (Annexure 4, Table 1, Respondent 10).

Table 4.8 Coding unit 1.4

<table>
<thead>
<tr>
<th>CODING UNIT 1.4</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF INVOLVEMENT OF CEO ON EMPLOYEE ENGAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement of CEO</td>
<td>Those respondents who agreed that the CEO was involved in employee engagement gave some positive feedback in this regard. The CEO is part of setting strategies of employee engagement and also plays an important role in communicating these strategies to everyone in the organization. Through road-shows the CEO visits business units in the various regions to give feedback on performance and lift out future challenges to the organization. Although the CEO is not physically involved to promote employee engagement, there is evidence that he supports this through policies. In some responses the CEO is described as being a people’s person, which has a very positive effect as employees take his vision to heart, such as safety, honesty and respect. He is also interested in seeing growth in employees hence employee engagement in promoted.</td>
</tr>
</tbody>
</table>
RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF INVOLVEMENT OF CEO ON EMPLOYEE ENGAGEMENT (Continued)

Feedback by the CEO is seen as positive and employees show extra efforts after his visit, thus they are inspired by his commitment. The CEO’s active involvement causes staff to trust him and motivates them to be involved due to a feeling of personal obligation.

In organizations where respondents indicated a lack of involvement of the CEO with employee engagement, they recommended that he should be involved in promoting this aspect and should liaise with staff more directly. One respondent indicated that the absence of the CEO indicates that engagement does not feature in any current organization focus.

The study by Ngozwana and Rugimabana (2011) indicated that employee engagement is a very important aspect of employee retention, implying that a strong employer brand enquiry is built. The involvement of the CEO is seen as crucial in this regard as this research stressed that the contribution by managers to provide employees with a passion for their work is very valuable to ensure maximum performance. This is in line with comments by respondents in Coding unit 1.4 that the involvement in employee engagement by the CEO creates trust and inspiration.

Ngozwana and Rugimabana (2011) found that where the CEO was not involved in getting employees engaged, these organizations rated very negatively as employees felt that the mission of the company does not make them feel important and that their views do not seem to count. This correlates with respondents’ feedback as evident in Coding unit 1.4 that the lack of involvement of the CEO also indicates lack of organizational focus on employee engagement. Havenga et al. (2011) reinforced this opinion and indicated that the impact that employee engagement had on the sense of community in the organization also contributed strongly to the way that engagement is embedded in the organization’s culture. This should be guided by the CEO from the top. A respondent who agreed with this said, “the CEO is merely passing down more administrative bureaucracy...engagement does not feature in any organizational focus” (Annexure 4, Table 1, Respondent 10).
4.4.2 Organizational commitment

Table 4.9 Coding unit 2.1

<table>
<thead>
<tr>
<th>CODING UNIT 2.1</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE WHY EMPLOYEES ARE COMMITTED AND WHY NOT</th>
</tr>
</thead>
</table>
| Evidence of organizational commitment | In an entrepreneurial type of company employees feel that it is their own company and display organizational commitment. Employees who share the mandate of the company contribute to achieve that and therefore are committed to the organization. Through the introduction of a provident fund and allocation of bursaries to develop staff, one organization rewards commitment by its employees through these initiatives. Acknowledgement of individual staff members by managers through personal interaction also make staff feel committed to their employer. They take pride in their work and because they realise that they are more than merely employees. Those employees who feel an organizational commitment to the employer also feel that they are part of the organization and committed on a personal level. Respondents who indicated that there is no sense of organizational commitment give the following reasons for that:  
  - Little is done to train and develop staff and remuneration is low.  
  - Higher paid staff stays longer but only because of limited other options.  
  - They feel that the employer has no respect for them and is only profit and production driven.  
  - Lack of ownership is mentioned as another reason why employees are not committed to the organization, as well as lack of transferring of skills by management.  
  - Staff members who are not permanently employed show no sense of organizational commitment.  
  - Employees do not buy into the high unrealistic values and goals of the company which are also not reflected in executive conduct by managers. |

The statement by respondents in Coding unit 2.1 indicating that employees who are committed to the organization feel that they are part of the organization is confirmed by Ngobeni and Bezuidenhout (2011) that organizational commitment is the degree to which a person identifies with the organization and its goals. This agrees with the statements by managers in Coding unit 2.1 that those employees who can identify with the mandate of their organization are committed, as they share the same values and beliefs of their employer. The interaction from managers with all levels of employees also contributes to the decision of employees to stay with the organization because of their sense of organizational commitment. The approach to training and development indicate the level of commitment which the organization demonstrates towards its employees (Ngobeni and Bezuidenhout, 2011). This is supported by respondents’ statements that bursaries made available for staff enhance their organizational commitment (Coding unit 2.1).
Respondents who indicated that little is done to develop staff and train them also described these employees as having no organizational commitment (Coding unit 2.1). Ngobeni and Bezuidenhout (2011) agreed with this by reiterating that organizations should provide career development opportunities, or else employees will feel undeveloped and choose to leave. Research by Samuel and Chipunza (2009) showed that staff left because of poor hiring practices, lack of job security and poor managerial style. This agrees with respondents who indicated that non-permanent staff members have no organizational commitment and if managers do not lead by example, employees will not have respect for them and might opt to leave. However, as one respondent indicated, if employees experience that their employer is “their company” they show evidence of organizational commitment (Annexure 4, Table 2, Respondent 1).

Table 4.10 Coding unit 2.3

<table>
<thead>
<tr>
<th>CODING UNIT 2.3</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF EMPLOYEES WHO SHARE THE VALUES OF THE ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing of values</td>
<td>When managers set examples it is easy for employees to share organizational values and these are discussed during staff meetings. If employees share the vision of the organization that makes it easy to do the work. Because staff share the same values as that of the organization, their level of commitment is high and there is a low staff turnover. If company values are not shared, these staff members will leave. Employees who share the same values as that of the organization demonstrate that in their work, e.g. starting on time. This has a positive effect on the organization and employees help to fulfill the goal of the organization to be a supplier of choice. When employees understand their roles within the organization and share the organization’s values this makes them more committed and passionate in their work. Employees who perceive that values are unrealistic and not aligned with the expectations from managers, do not share the values of the organization. If the company itself (managers) do not demonstrate a commitment to the values of the organization this influences employees negatively. If the organization does not have a strong culture of emphasising the values staff will not be committed to them.</td>
</tr>
</tbody>
</table>

Samuel and Chipunza (2009) found that intrinsic motivational variables such as training and a sense of belonging proved to have positively influenced retention of employees. This correlates with the statements by respondents in Coding unit 2.3 that employees who demonstrate a high level of commitment because they share organizational values, remain with the employer. In the study by Ongori (2007) one of the aspects of organizational commitment that was explored was the need of employees to share the same values as that of the organization. This study showed
that employees want to be informed and be part of the decision-making process. In the absence of such opportunities the chances of continuity and retention seemed very low. Respondents agreed with this (Coding unit 2.3) and indicated that employees who know their roles clearly and can identify with the organization’s values feel positive and passionate about their work and therefore wish to remain with the employer.

On the other hand, managers also agreed that employees who saw organizational values as unrealistic and cannot align themselves to company goals, will opt to leave as they are negatively influenced and do not experience organizational commitment (Coding unit 2.3). It is also stated that “if the company does not demonstrate enough commitment to these values…this negatively influences employees” (Annexure 4, Table 2, Respondent 3).

Table 4.11 Coding unit 2.4

<table>
<thead>
<tr>
<th>CODING UNIT 2.4</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF TRAINING OPPORTUNITIES ON ORGANIZATIONAL COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td>Most respondents viewed training and development as very important for organizational commitment. Staff are encouraged to train and educate themselves but also after a gap analysis, training is based on the needs identified. The great benefit as seen by respondents is that it is very valuable to see how employees can implement what they have been trained on. When given training opportunities employees feel that the company assists them in reaching their goals and they are more eager to perform and give back what they have learnt. This shows an improvement in organizational commitment. Most managers support training opportunities within their organizations as this has a direct positive impact on organizational commitment towards the employer. One respondent mentioned the fact that a recently appointed Human Resource officer made a positive difference as training opportunities are focused on and there is also a better screening of new employees. Through performance reviews training needs are met on a higher level, again strengthening organizational commitment. In order for employees to stay abreast of latest developments, training opportunities make them feel empowered and give them the edge to perform at a high level with a positive impact on organizational commitment. Respondents who indicated that there is very little opportunities for training and development also indicated that employees do not feel committed to the employer as they are not given the chance to develop themselves. In the case where training is just seen as a deliverable that must be met with no real opportunities for development, commitment is seriously lacking.</td>
</tr>
</tbody>
</table>

A study by Smit and Cronje (2002) indicated that training and development was one of the best strategies used by managers to retain their most valuable employees. This is in agreement with the views from respondents in Coding unit 2.4 that training
opportunities enhances organizational commitment. Ongori (2007) held that if managers could succeed in enriching jobs and empower employees, the degree of commitment of employees can be heightened. This is in line with the statements from respondents in Coding unit 2.4 that employees who are given opportunities to study and develop themselves see this as a commitment from the employer, and in turn give back to the organization what they have learnt.

Malik et al. (2011) noted that the idea of perceived investment in an employee’s development could be defined as the assessment of the commitment of the organization to help employees learn new skills and allow them to progress in their careers. Although few respondents in Coding unit 2.4 indicated that career development was the objective of training opportunities within the organizations, they do support the view that training and further studies empower employees and it has a very positive impact on organizational commitment and ultimately the decision of employees to stay with the company.

The research by Malik et al. (2011) encourages sustained employee development programmes. Respondents’ views as interpreted in Coding unit 2.4 correlate with this statement, as they confirm that employees would demonstrate positive attitudes and an obligation towards the employer by giving back what they have learnt.

Table 4.12 Coding unit 2.5

<table>
<thead>
<tr>
<th>CODING UNIT 2.5</th>
<th>RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF CLEAR JOB EXPECTATIONS ON ORGANIZATIONAL COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity of job expectations for employees</td>
<td>Every respondent agreed that the roles of employees and their job descriptions are clearly identified and discussed. Key objectives and performance areas are discussed on either a monthly basis or during counselling sessions for employees who are on probation. Tools such as scorecards and job descriptions are used as well as induction sessions. It was mentioned by a respondent that the lower level job descriptions were tangible and easily formulated, however, when it came to higher managerial levels these become abstract and therefore not so clear. Regular training and information sessions to clarify roles and responsibilities were evident and in some cases it was expected of older employees to coach new recruits. One manager stated that after staff became permanently employed they would become ignorant about their jobs and would start to question everything. Where responsibilities were clearly defined this had a positive effect on the employee's willingness to stay. Mention was made that even if jobs are clearly defined, but employees cannot see themselves able to oblige with all the expectations, they will not be motivated to perform according to the job description and will opt to leave.</td>
</tr>
</tbody>
</table>
The accessibility of information and therefore also clear job expectations was found to have a very positive effect on organizational commitment of employees (Ongori, 2007). Anis et al. (2011) supports this statement and added that there is a strong correlation between organizational commitment and job satisfaction. Malik et al. (2011) also found that clear roles and job satisfaction contribute to a heightened desire of employees to follow the goals and activities and their commitment to remain part of the organization. This is in line with respondents’ comments from Coding unit 2.5 that clear roles and job descriptions make employees feel comfortable to do what they do best as it has a “positive effect on their willingness to stay” (Annexure 4, Table 2, Respondent 7).

Some respondents stressed that it is when these job expectations are too high and unrealistic that employees become demotivated and not committed to the success of the organization (Coding unit 2.5). This is in line with the findings by Ngobeni and Bezuidenhout (2011) that exiting employees indicated that and open management style and clear understanding of daily problems would have changed their decision to leave.

### 4.4.3 Recognition and reward

Table 4.13 Coding unit 3.1

<table>
<thead>
<tr>
<th>CODING UNIT 3.1</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: WHAT MOTIVATES EMPLOYEES?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong></td>
<td>Employees are motivated by good salaries, and a work environment where they can enjoy what they do and have the opportunity to grow. If the manager is motivated, he or she will also motivate the team. A manager who motivates his team also experiences the benefit that employees feel they are being cared for and that they belong. A motivated leader creates a sense of good teambuilding and leads by example. Respect goes hand in hand with motivated staff. Motivated employees are those that experience pride in their jobs and therefore tasks are completed effectively. Because employees are motivated this leads to low staff turnover, indicating employee satisfaction. Employees are motivated by recognition and reward and hence have a personal obligation to the organization to do a good job. Employees who experience no incentives to perform are not motivated.</td>
</tr>
</tbody>
</table>
EXAMPLE FROM RESPONDENTS’ ANSWERS: WHAT MOTIVATES EMPLOYEES? (Continued)

If nothing happens on ground level to inspire employees they will not be motivated to achieve high levels of performance. If management intent is doubted by employees and they see no value in performing at a higher level as there is no recognition for individual performance, they will not be motivated even if award ceremonies are held or monthly staff awards are given. It is clear that if employees perceive that they are not being honestly rewarded for good work, they will not be motivated and committed to the organization.

Werner et al. (2011) have the following suggestions for motivation of employees for which they could be rewarded:

- Offer rewards to employees which they feel are valuable.
- Managers need to create the perception that effort will indeed lead to reward.

It is evident from the comments by respondents in Coding unit 3.1 that the above statements are true. A positive work environment and good salaries certainly fall in this category of making employees feel valuable. Respondents indicated that employees who feel recognised for good work and effort have a sense of obligation to the employer and will therefore remain committed to stay (Coding unit 3.1). The statement by respondents that good salaries also motivate employees is further strengthened by the observation from Werner et al. (2011) that pay positively influences performance, provided that certain principles such as fair and consistent rewards are adhered to.

The link between performance and reward is emphasised and supported by respondents in Coding unit 3.1 who indicated that reward could be either monetary or through recognition for good work that could lead to positive consequences. The fact that many employees are motivated strongly by monetary rewards must also be seen in the light of the current poor economic climate and limited career opportunities in the Garden Route area. Although Koketso and Rust (2012) are of the opinion that the most common solution managers have to keep employees are to pay them well and treat them accordingly, other literature revealed that money is not always the reason why employees would stay.
Table 4.14  Coding unit 3.2

<table>
<thead>
<tr>
<th>CODING UNIT 3.2</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF EXTRINSIC REWARDS ON RETENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic rewards</td>
<td>The majority of respondents view extrinsic rewards such as salaries and commission as a motivating factor for employees. The fact that tough economic times also make people stay because of the fact that they are earning a salary is mentioned. One respondent indicated that salaries are important motivation, as the cost of living is high and wages low. Large differences in remuneration between employees who are doing the same work do occur. It is evident that this demotivates employees. Another indicator that money motivates employees is that a casual worker will do his best to move to a permanent position with benefits. One respondent indicated that there is definitely a level of extrinsic motivation, as some employees will work harder to earn more commission and are therefore more extrinsically motivated. Another view is that good remuneration makes it easier for employees to perform difficult functions, and that extra commission motivates them to deliver a better service and recruit more clients. An interesting view from one respondent indicates that employees mostly come to work to enjoy working in a happy place but that salaries do not motivate them to perform better, it just prevents them from leaving. Although in one organization it is evident that salaries paid are low, yet these employees enjoy working there because of the vision of the organization with which they identify.</td>
</tr>
</tbody>
</table>

It is evident from the responses in Coding unit 3.2 that monetary rewards as an extrinsic motivator have a great impact on people’s decisions to stay with an organization. Some work harder to earn more money. This is in line with the view from Werner et al. (2011) that ideally, good performance should not only be recognised, but also lead to material benefits for the employees. This was also recommended by one manager in his response, when he advised that employees should also be rewarded for better productivity and quality (Coding unit 3.2). Werner et al (2011) indicated that the importance of matching the appropriate pay to the appropriate employee must be stressed. This is echoed by one respondent in Coding unit 3.2 who indicated that employees are unhappy when they are remunerated differently for doing the same work.

Werner et al. (2011) emphasised the fact that managers have a reward power which they should use to clearly state their expectations and clarify the connection between reward and relevant behaviour. By doing this managers will have more influence over their employees. It is clear from research by Koketso and Rust (2012) that pay satisfaction is an important mediator between pay policy and the behaviour and attitude of employees as a result of this.
Respondents in Coding unit 3.2 seem to echo this view and it is clear that money does play a large role in motivating employees and ensuring that they remain with the business. However, as one respondent indicated, when there is an opportunity to earn more some employees will try to reach higher targets for extra compensation as they are more extrinsically motivated than others.

Some respondents (Coding unit 3.2) did indicate that extrinsic rewards do not always motivate employees to stay with the organization. A comment that supports this is that “employees mostly want a happy workplace that make them feel secure and a pleasure to go to” (Annexure 4, Table 3, Respondent 10). Again, this correlates with the view by Ukanda and Ukpere (2011) that employees are indeed more motivated by intrinsic rather than extrinsic rewards.

Table 4.15 Coding unit 3.3

<table>
<thead>
<tr>
<th>CODING UNIT 3.3</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE IMPACT OF INTRINSIC REWARDS ON RETENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic rewards</td>
<td>It is clear from the responses that a number of employees are intrinsically motivated by aspects such as personal development. Higher aspirations and growth opportunities are factors which are mentioned that motivate employees. In a young company where new positions become available, this is especially the case for employees who wish to experience growth and face new challenges. It is mentioned that employees in senior positions who can also benefit from national promotions are motivated by these career development opportunities. The fact that employees are motivated by working in an environment where they experience a culture of growth and acknowledgement, plays an important part in intrinsic motivation and their decision to remain with the employer. One respondent indicated that extrinsic rewards motivate only up to a certain level, meaning that once they earn what they think is reasonable, they are aware that similar possibilities exist with other employers. However, what keeps them motivated to remain with the current employer is the fact that they have in intrinsic need to perform better and stay with the organization for growth opportunities. Respondents from organizations that experience a high turnover, indicated that they leave because of lack of recognition and career development, job security and working conditions.</td>
</tr>
</tbody>
</table>

Although intrinsic and extrinsic factors influence motivation of employees, Samuel and Chipunza (2009) found that employees are more influenced by internal than external factors such as recognition from managers, the work itself and responsibility given to employees to advance and grow. Respondents in Coding unit 3.3 agreed with this statement, as they indicated that if those factors were not evident, employees would leave.
Recommendations from research by Ukanda and Ukpere (2011) indicated that employees could be empowered by involving them in decision-making and recognising their contributions to the success of the organization. Information from respondents however, indicated career growth and development as a much higher motivational factor in this study and not so much participative decision-making (Coding unit 3.3). Ukanda and Ukpere (2011) reiterate the statement that, in order to motivate someone, the level of need on the hierarchy of Maslow’s theory of higher and lower order needs, should be clearly understood.

The fact that the main aim for managers should be to satisfy the specific needs of employees on a particular level, is stressed by Ukanda and Ukpere (2011). Therefore, whilst extrinsic matters such as salaries and company policy are met on the lower level of need, the higher level of need such as recognition and career advancement should be met in order to retain talented employees. A similar view was held by Chiboiwa et al. (2010) that in organizations with a low staff turnover, compensation was not the most common reason why employees would decide to stay with an organization. Respondents in Coding unit 3.3 affirmed this view with the example that “people eventually leave because of lack of recognition and career development,” (Annexure 4, Table 3, Respondent 9).

Table 4.16 Coding unit 3.4

<table>
<thead>
<tr>
<th>CODING UNIT 3.4</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE TYPES OF FEEDBACK AND IMPACT ON DECISION TO STAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feedback</td>
<td>It is evident that feedback from managers can have both a positive and negative impact on the decisions of employees to stay or not. Monthly feedbacks given were experienced positively in many cases, and this motivates employees to stay. Where feedback on progress was given on a one-to-one basis from managers to subordinates, this showed a positive impact as they felt valued. This would motivate them to achieve even greater heights with the company. In other cases the impact of feedback was seen by employees as having a greater impact on their future and increased their chances for promotion within the company. Feedback also removes uncertainties and employees have reasons to stay. In cases where feedback was perceived as having a more negative impact, this had to do with management styles and lack of recognition. Informal, negative feedback by managers can do more harm than good, and cause people to resign. The perception that a manger can never be satisfied if feedback is constantly negative, impacts directly on the behaviour of employees as they feel that nothing they do is good enough, and they will start doing only the minimum and without any enthusiasm. It can leave staff more demotivated. Even if feedback is done regularly but it appears to be only a paper exercise and nothing is done about it, this has a negative impact on employees.</td>
</tr>
</tbody>
</table>
A study by Koketso and Rust (2012) revealed that recognition is embedded in literature as one of the most successful tools organizations can use to retain their employees. Employees should be recognised for what they achieve and for a job well done. Koketso and Rust (2012) stated that management feedback is seen as a form of recognition.

However, lack of recognition leads to high frustration amongst employees and they will leave the organization as a result. Responses from managers in Coding unit 3.4 support this view, as they indicate that through feedback employees feel valued and it has a positive impact on how they view their future with company.

According to Chiboiwa et al. (2010) not only do the new generation of employees view feedback as part of job satisfaction, but they also have the need to experience this on a daily basis as proof of their success in the labour market. Chiboiwa et al. (2010) also found that employees stay with organizations where intrinsic rewards such as good relationships and job satisfaction exist.

One way in which managers can achieve good relationships is by regular feedback to employees. Comments by respondents (Coding unit 3.4) confirmed this in the word of one manager who indicated that through feedback, “…employees know how they are viewed and the removal of uncertainty has a big impact on a decision to stay or not” (Annexure 4, Table 3, Respondent 8).

The above statement is confirmed by Havenga, Stanz and Visagie (2011) who hold that employees who do not receive progress feedback will not experience recognition. The risk to the organization if managers do not give sufficient feedback is that employees will leave. This view is confirmed by respondents who indicated that lack of feedback does cause staff to be demotivated and negative non-progressive feedback cause staff to resign.
4.4.4 Retention strategies

Table 4.17 Coding unit 4.1

<table>
<thead>
<tr>
<th>CODING UNIT 4.1</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE TYPES OF STRATEGIES CURRENTLY BEING USED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing attempts to retain employees</td>
<td>The majority of responses from managers indicate that very little or no retention strategies currently exist within the organizations where they work. They do not indicate whether this is due to lack of policy or any other specific reason. In the organizations where respondents reacted positively to current retention strategies being used, they do mention monetary rewards and growth opportunities as the main drivers for keeping key employees. Salaries as well as rewards based on performance are mentioned as strategies to keep talented staff. In addition, development and growth opportunities in the form of bursaries or learnerships are mentioned as having a positive effect on employees in their decision to stay. In the organizations where little evidence of current retention strategies exist, it is mentioned that there is no structured approach to retain employees in the organization. In one organization at the point where three line managers announced their intention to resign, this was the only time that any attempt to keep them was made. One did leave in the end, the second one was persuaded to stay and the third one was given the opportunity to go on a development course. Therefore it seems that reactive rather than proactive retention strategies are used. Due to lack of retention strategies, managers indicate that from the lower to the higher levels, employees move out and are replaced on an on-going basis. A recommendation by one manager is that retention could be improved by involving key employees, especially in the technical (artisan) department where skilled employees are hard to find. In organizations where there is currently a lack of retention strategies, the management style is described as dictator-like and managers base their choice to promote or keep employees on whether they like the person or not. Another view is that the company does not focus on retention strategies as they think employees are easily dispensable.</td>
</tr>
</tbody>
</table>

From the literature research it is evident that one of the fundamental challenges that companies face is the inability to implement an effective strategy to not only recruit capable employees, but also to keep them in order to achieve organizational goals. Gberevbie (2010) emphasised the importance of providing appropriate retention strategies to enhance performance as employees would be more likely to stay. Hausknecht et al. (2008) defined talent management as being the implementation of integrated strategies that are designed to increase productivity by developing improved processes.

It is evident from respondents in Coding unit 4.1 that if no structured retention strategies are in place, the effects are very negative for the organization. If managers therefore embark on a reactive approach when employees show intention to leave, rather than a proactive approach, it does not bode well for employee retention. As
one respondent clearly stated, in their organization managers only attempt to address problem issues when employees are at a point of resignation or crises.

Hausknecht et al. (2008) held that it might be important to know how retention factors differ for employees on various levels within the organization; for this reason it is recommended that a blanket retention policy might not be advantageous to the organization. Organizations can therefore benefit from knowing whether reasons for retention differ based on different job levels.

Table 4.18 Coding unit 4.2

<table>
<thead>
<tr>
<th>CODING UNIT 4.2</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE REASONS FOR JOB SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>In an entrepreneurial organization where everyone plays a part in the success of the company, job satisfaction is very evident. If work is seen as exciting and challenging, employees also seem to experience job satisfaction. In organizations that function within a production environment, respondents indicated that at the higher levels where employees (like artisans) see progress and targets are achieved, job satisfaction is evident. Some organizations with long-service employees of up to 35 years, also view this as proof of job satisfaction. When employees achieve success and their hard work is recognised this cause positive reaction from management and contribute to job satisfaction. Respondents indicated that winning (for example in a legal case) gives a great deal of job satisfaction to employees on higher levels within the organization, especially as this is recognised a by management. In organizations where managers indicated that there was no job satisfaction amongst employees, reasons varied. On the lower levels where employees work in harsh environments there is very little sign of job satisfaction. In addition, where employees do not experience a sense of ownership and feel they are only seen as hired hands and no more, they are unhappy in their jobs. Lack of ownership also tend to create a feeling amongst employees that they are there just to work and they do not really care about what happens with the company. Inconsistency and non-transparent workplace practices impact negatively on job satisfaction. Unrealistically high demands to achieve company goals are met with dissatisfaction and employees become demoralised.</td>
</tr>
</tbody>
</table>

Findings by Hausknecht (2008) showed that job satisfaction emerged as one of the primary retention factors. It is also clear from respondents’ views in Coding unit 4.2 that employees react differently to job satisfaction on the different levels within an organization. The reason why Hausknecht et al. (2008) examined employees at different levels was precisely for this reason: that talented employees might attach different values to what the organization has to offer when they need to decide to stay with the organization or not. Respondents (Coding unit 4.2) indicated that aspects such as recognition for good work, being part of the company’s success and
Achieving targets contributed to job satisfaction. This is confirmed by research from Zheng et al. (2010) that job satisfaction and organizational commitment go hand in hand and are considered to be major factors in employee retention.

Gberegbeie (2010) agrees with the above statement by indicating that in order to retain employees, strategies such as rewards, job security and continuous training should be implemented. Respondents' views (Coding unit 4.2) about job satisfaction confirm this statement, as it is indicated by one manager that “most employees are unhappy because they do not experience a sense of ownership” and “They do not feel part of the company” (Annexure 4, Table 4, Respondent 5).

The study by Hausknecht et al. (2008) further indicated that lower levels of employees gave reasons for staying because of monetary rewards and not so much career advancement or job satisfaction. On the other hand, it was found that high performers would be more likely to stay because of job satisfaction and organizational justice. Respondents’ comments in Coding unit 4.2 confirm the fact that employees on lower levels stayed for monetary reasons, while those on higher levels are more motivated to stay because of intrinsic reasons.

Table 4.19 Coding unit 4.3

<table>
<thead>
<tr>
<th>CODING UNIT 4.3</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: IMPACT OF CONSIDERING PERSONALITY TRAITS TO RETAIN TALENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality traits during recruitment process</td>
<td>An overwhelming response from managers indicated that little or no recruitment strategies are in place to consider personality traits when new employees are recruited. In most cases where personality traits of staff during the recruitment process were not given consideration at all, managers indicated that they do think this would be an effective strategy to retain employees. Factors that contribute to the lack of personality traits identification are mentioned, such as limited budget that does not allow for personality profiling as well as lack of commitment to follow that route. Respondents indicated that due to the diversity of staff interview panels must be aware of this, and one way to do this would be to use personality profiling. They see this as treating new employees with respect. Another manager indicated that their organization realised this was a shortfall in the human resource function, as this would have been advantageous to the company and they are currently addressing the problem. Respondents further indicated that this strategy would have improved both productivity and job satisfaction. Respondents who indicated that they did consider personality traits during recruitment, indicated the benefits as following:</td>
</tr>
<tr>
<td></td>
<td>Having the right person in the right job to see if he/she will fit in</td>
</tr>
<tr>
<td></td>
<td>It guarantees good performance and needed especially on higher levels</td>
</tr>
<tr>
<td></td>
<td>It creates job satisfaction that leads to improved retention</td>
</tr>
</tbody>
</table>
Mozafari et al. (2012) viewed the importance of recruitment strategies as key to effective retention strategies. This research indicated that it was to the advantage of the organization to employ people who are agreeable, caring and cooperative. Comments by respondents in Coding unit 4.3 that the knowledge of personality traits of prospective employees would have been a great help in finding the right staff to stay with the organization in the long run, confirm the findings by Mozafari et al. (2012).

The recommendation that personality traits of prospective candidates should form part of the recruitment strategy are therefore beneficial, especially in light of the fact that many respondents (Coding unit 4.3) made it clear that some assistance in this regard is needed. As stated by one manager, “We often find that in the end, someone is not really right for a certain department … but then it is difficult to move around” (Annexure 4, Table 4, Respondent 2). This implies that even after appointment early identification of personality traits might assist managers to utilise the employee where he or she fits best and will be most productive to the organization.

Respondents in Coding unit 4.3 indicated that although insight into personality traits of new recruits would be helpful, it would be especially beneficial where higher level appointments are made considering the investment made in such an employee. Benefits of good recruitment strategies that take personality traits into account are highlighted by respondents. These include job satisfaction, good performance and happy employees who will choose to stay with the company (Coding unit 4.3). This view can be linked to the view held by Werner et al. (2011), indicating the contrast: poor job specifications and correlating lack of job satisfaction resulting in poor employee retention will be the effect of inappropriate retention strategies.
## CODING UNIT 4.4

<table>
<thead>
<tr>
<th>Most valuable retention strategies recommended</th>
<th>EXAMPLE FROM RESPONDENTS’ ANSWERS: EXAMINE BEST STRATEGIES TO IMPROVE EMPLOYEE RETENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was evident from the initial responses from managers that existing retention strategies in the organizations are very limited. However, the response when managers were asked to indicate the three most valuable strategies that will result in retaining employees show a large focus on intrinsic rather than extrinsic factors. The following intrinsic retention strategies were viewed by respondents to be most valuable:</td>
<td></td>
</tr>
<tr>
<td>• Growth, training and development opportunities to foster a culture of learning followed by career succession planning</td>
<td></td>
</tr>
<tr>
<td>• Make employees feel important and part of the organization’s strategy</td>
<td></td>
</tr>
<tr>
<td>• Employees should know how they can contribute to the success of the company, but these expectations should be realistic</td>
<td></td>
</tr>
<tr>
<td>• More positive reinforcements such as appraisals in various forms</td>
<td></td>
</tr>
<tr>
<td>• Less focus on the negative and more on creating a good organizational culture</td>
<td></td>
</tr>
<tr>
<td>• Structured performance feedback with a support structure on which staff can rely</td>
<td></td>
</tr>
<tr>
<td>• Focus on employee wellbeing and treating staff with respect</td>
<td></td>
</tr>
<tr>
<td>• Pick the minds of employees to encourage involvement, and listen to what employees say</td>
<td></td>
</tr>
<tr>
<td>• Promote ownership in the organization together with teambuilding and good communication.</td>
<td></td>
</tr>
<tr>
<td>The following extrinsic retention strategies were suggested:</td>
<td></td>
</tr>
<tr>
<td>• Salaries and benefits, if not better then at least equitable</td>
<td></td>
</tr>
<tr>
<td>• Better remuneration on the lower levels with pay to performance</td>
<td></td>
</tr>
<tr>
<td>• Introduction of new products to expand job possibilities</td>
<td></td>
</tr>
<tr>
<td>It is evident from responses that a lot of focus was placed on ways to prevent staff from leaving through intrinsic motivational factors. Career development, positive feedback and engagement of employees figured strongly in these responses. In addition good communication and recognition of the value that employees contribute to the organization were seen to be very important. The extrinsic motivational factors seen by respondents to have the most value to retain employees were monetary rewards and extended job possibilities.</td>
<td></td>
</tr>
</tbody>
</table>

As mentioned by Gberevbie (2010) good examples of effective retention strategies would include appropriate rewards, performance pay, the creation of social community and the image of the organization. An effective retention strategy should also contribute to high performance according to this study. More relevant to the responses from managers are the findings from Samuel et al. (2009), that employees with self-esteem and high self-actualisation drive have a need to be appreciated but not necessarily through monetary rewards. The fact that respondents in Coding unit 4.4 recommended a large variety of strategies through which employees can be retained through intrinsic rewards such as career development and recognition, supports this view. Respondents further mentioned aspects such as making...
employees feel important, valued, respected and giving them opportunities to develop as being most important (Coding unit 4.4).

The general conclusion from the research by Hausknecht et al. (2008) correlates with the responses from managers, namely that the reasons why employees would stay were because of advancement opportunities, job satisfaction, organizational commitment and organizational justice. Samuel and Chipunza (2009) affirmed this by stating that a comprehensive blend of extrinsic and intrinsic motivational variables should be used in retention strategies. Recommendations by respondents in Coding unit 4.4 are therefore very much in line with the above findings. Although the majority of recommendations from managers focus on intrinsic rewards, it is evident that they also perceive extrinsic factors to be very valuable in an effective retention strategy. Therefore a combination of the two is recommended as a winning strategy to retain employees.

4.4 CONCLUSION

In this chapter the findings of the research were analysed through content analysis using open coding. The responses of middle managers in this study were represented in coding units. Verbatim records were referred to in Annexure 4 for validity and accuracy. These responses indicated the exact meanings of respondents to gain an in-depth insight into their perceptions about employee retention. Specific views on the key aspects of employee engagement, organizational commitment, reward and recognition and retention strategies were gathered from respondents.

The information from the research findings was interpreted. Many of the statements expressed by respondents as outlined in Chapter 2, corresponded with the results which were obtained through the questionnaire. The validity of the study became evident by the way in which the perceptions of middle managers of the five medium-businesses in the Garden Route corresponded with the literature research on employee retention and the factors that influence that.
In the next chapter, the final conclusions about employee retention will be made and a summary given. Recommendations to industry will be made and limitations of this study as well as areas for future research will be indicated.
CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In Chapter 4, the results of the research questionnaire were analyzed and interpreted. Correlations between the research findings and the empirical research are drawn and comparisons are discussed in Chapter 5. The limitations and difficulties experienced in this research are outlined and highlighted. With the aim of providing in-depth insight into employee retention and an effective strategy for managers to use in order to improve employee retention, recommendations are made. Finally, suggestions for future research are presented.

5.2 CONCLUDING REMARKS

After comparing the literature study which formed part of Chapter 2 with the research findings of Chapter 4, the following conclusions are discussed according to the sub-sections of the empirical study.

5.2.1 Employee engagement

From both the literature research and the findings from respondents it is evident that the engagement of employees in an organization is of great value to improve employee retention. An important reason for this is that organizations cannot achieve their goals without the combined efforts of both managers and the individuals who form part of the team. Therefore, by putting sound efforts together to achieve employee engagement, organizations endeavour to design appropriate strategies to achieve involvement.

Through forming strong relationships with fellow employees and through demonstrating an organizational citizenship, employees succeed in being involved in their organizations. This leads to other positive employee engagement aspects such as sharing knowledge and insight with fellow-colleagues for the good of the organization. By introducing customised rewards, encouraging employees to
participate in decisions in the company and giving employees the opportunity of career mobility, organizations succeed in improving employee engagement and ultimately retention of staff.

The literature study revealed that if employees knew their roles in the organization clearly and felt that what they did was important, they had the chance to use those skills at their work.

It can be concluded that, in order for organizations to keep their talented employees, they should be aware of the different views that employees have about their organization. More engaged employees raise their dissatisfaction and the employer therefore has an opportunity to address those concerns and prevent employees from leaving. Thus, engaged employees do show a positive impact on the decisions made within the organization and they will go the extra mile.

From the literature it was evident that an awareness of the strategic vision of the business, recognition of achievement and an evidence of a caring culture within the organization lead to employee engagement. Together with these views findings from respondents indicated that that the sharing of knowledge and the linking of organizational goals contribute to employee engagement. Furthermore, the necessary feedback on progress at work as well as involving employees in team talks make employees become more involved. Relatively good salaries and good overall communication within the company are important beneficial strategies for employee engagement. In organizations where managers listen to their employees and take note of their intrinsic needs for growth and career development whilst sharing their expertise, the improvement rate of employee engagement and retention will be increased.

With regards to employees performing at a higher level than is expected, it can be concluded that when employees enjoy what they do, they will perform a higher level. It is when employees are both emotionally and cognitively involved in their work that this is especially evident. In addition, when employees are duly rewarded for the good work they do, this contributes to higher performance. Employees who are not engaged and do not feel a sense of ownership with the organization, will not deliver
a high output of work. If organizations keep their expectations from employees at a realistic level and provide them with the necessary resources to deliver, employees will indeed perform higher than is expected. Employees who experience personal and career development in the organization have shown to perform at a level higher than is expected of them. Aspects such as self-motivation, trust from managers and teamwork lead to employees feeling an obligation to do more than what is expected from them. This leads to even more active engagement and better retention in the organization.

Engaged employees share knowledge and insight with the company when the supporting circumstances are right. An organizational culture where interaction is encouraged fosters a climate where employees want to share what they have learnt for the benefit of the company. Sharing knowledge creates a positive atmosphere and structure where this can be done with ease. Circumstances where employees will not share knowledge with co-workers are when they feel threatened or insecure in their jobs, or when employees experience too much work pressure and understaffing which are not ideal circumstances for knowledge sharing.

It can be concluded that for managers to get the maximum benefit from knowledge sharing in the organization, this works well when managers act as coaches and help other employees solve their problems. Employees who are empowered tell others about what they have learnt. Circumstances under which employees experience a low morale and retention rates are low, make remaining staff members feel demotivated by the pressures with which they are left behind. Empowered employees who succeed in delegating and participative decision-making contribute to employee retention through sharing their knowledge and skills.

The involvement of the CEO in promoting employee engagement plays an important role in employee retention. Employees feel engaged when the CEO discusses relevant strategies with them and when there is good communication from the top to bottom. Even if the CEO is not physically involved in making employee engagement happen, but staff is aware that he supports it and is indirectly responsible for the roll-out of the policy, employees feel valued and take the CEO's vision to heart. Employees are inspired by positive feedback from the CEO and this motivates them
to stay as they feel personally obligated to him as leader. The CEO plays an important part in building the employer equity brand, thus creating inspired employees who will recognize and appreciate his support.

On the other hand, lack of involvement from the CEO creates the feeling amongst employees that there is also a lack of organizational focus. The result is that employees rate the organization very negatively and would opt to leave as their views do not count and they do not feel important. In conclusion it can be said that the involvement of the CEO in promoting employee engagement contributes to the improved retention of employees.

5.2.2 Organizational commitment
In organizations where there is evidence of ownership and where employees share the mandate of the organization, organizational commitment features strongly. Employees who are recognized for good work feel emotionally committed and do their work with pride. An employee demonstrates his commitment to the organization through the way in which he / she identifies with the organization and its goals. Managers who show their commitment to employees through giving them opportunities for further studies and career development, experience the benefits by the way employees illustrate their organizational commitment to the employer. Employees are committed to the organization because they feel a part of it and on a personal level they are attached to the organization.

It can be concluded that if organizations do not provide a sense of job security and if employees do not experience ownership of the organization and its goals, these employees choose not to stay with the employer in the long run. Employees are not committed to the organization if they see that little is done to train them and that they are not being rewarded according to their achievements. Unrealistic expectations and lack of leading by example from managers further decrease organizational commitment and these employees look for better options elsewhere.

Employees show their organizational commitment through illustrating that they identify with company values. This makes employees more passionate about their work and as a result they help to achieve the goals of the company. Employees
follow the examples of their managers if they share the same values and it is easier for them to do their work. Values are part of intrinsic motivation, therefore the level of personal commitment of these employees is high. It can be concluded that employees who do not perceive their values to be aligned to that of the organization, they are negatively influenced. In organizations where the values are not strongly communicated and lived, employees do not feel committed and leave their employers. Therefore, the impact of employees with a high level of organizational commitment due to sharing the values of the employer, is an extremely positive one and certainly contribute to improved employee retention.

Training and development do have a strong impact on the organizational commitment of employees. It is of great benefit to employees to see what value they can bring to the employer when they are given the chance to implement what they have learnt. Training opportunities are seen as a sign that the company assists the employee with his development. Performance reviews help to take training of employees to the next level when gaps in the individual development plan are addressed. This strengthens organizational commitment and therefore also increases retention of employees.

It can be concluded that employees do not feel committed to the employer if opportunities to develop and empower themselves with new knowledge is not present in the organization. Employees who are not allowed to progress because of lack of opportunities will have negative attitudes and will express their intentions to leave.

Clear job expectations that are communicated effectively to employees have a positive impact on organizational commitment of employees. Although it is easier to identify lower level job expectations in a more tangible manner, the higher level job expectations should also be clear and effectively understood. Induction sessions, scorecards and job descriptions are tools that work well in ensuring clear job expectations. Regular training and information session as well as coaching by managers are effective in assisting employees to be clear about what they are expected to do and it makes them more committed to the employer. Therefore they want to stay as they feel comfortable to do what they do best.
It can be concluded that clear job expectations result in a heightened desire from employees to contribute to organizational goals and they are motivated to perform. It is their commitment to the success of the company and their willingness to stay that lead to improved employee retention.

5.2.3 Recognition and reward
Recognition and rewards can take many forms when it comes to motivating employees with the ultimate goal to retain them within the organization. Tangible rewards in the form of monetary compensation such as good salaries or incentives do motivate employees if this is perceived to reflect the value of the work they do. Employees who are not honestly rewarded for good work will not be motivated to do their best.

Intangible rewards also motivate employees. Managers who show respect towards their employees motivate them to feel proud of their work and to complete tasks with extra effort. Employees are motivated by a positive working environment that allows them to grow therefore they will stay with their employer. When employees feel that they are cared for by their company they experience a feeling of belonging which further leads to motivation. Employees are motivated by recognition from managers and this leads to an obligation to do better work. It can therefore be concluded that both tangible rewards and intangible recognition lead to motivation of employees which contribute to improved retention.

The impact of extrinsic rewards on employee retention is seen to be very positive. Extrinsic rewards that make employees decide to stay with their organization are competitive salaries, extra commission and the opportunity to earn more through hard work. Salaries which are perceived to be unfair are not considered as rewards, but are rather seen as a means to earn a living only. This will therefore not have a positive impact on retention of employees. It can be concluded that if good performance is rewarded through material benefits, this extrinsic factor will indeed motivate employees to stay. Where good salaries are further linked to quality of work and high productivity, this is a good indicator of a reward that will impact positively on the employee’s decision to stay. Thus extrinsic rewards lead to positive behaviour and attitude in support of improved retention.
It is, however, not only extrinsic rewards that plays a decisive role in employees’ intention decide to stay with their employer. The impact of intrinsic rewards on employee retention appears to be very strong especially amongst employees with higher aspirations. Personal development and growth opportunities feature strongly as motivational factors for these employees. Employees who occupy senior positions are motivated by the opportunity of new challenges and national promotions. Acknowledgement of achieving employees is seen to be a contributing factor to motivation of these staff members.

Even though extrinsic rewards are seen to motivate employees, this only happens up to a certain point with those who want to achieve more. It is concluded that these employees will stay with the employer if their intrinsic needs to develop and improve themselves are met. It is further concluded that talented employees who do not experience either career development opportunities or recognition, will leave their employers in the long run.

Recognition in the form of feedback from managers impacts to a large extent on the decision of employees to leave or stay with the organization. Individual feedback on performance on a regular basis influence employees positively. Employees perceive themselves to be valuable to the employer because of feedback on how they do their job and on the general progress of the company. Feedback is motivational in the sense that it reflects positively on employees’ future with the company and it removes uncertainties about their jobs, therefore it is easy for them to make the decision to stay. Through positive feedback employees form an opinion about job satisfaction and they experience this as part of their success in the labour market, therefore improved retention is the outcome.

It can be concluded that although feedback has a positive impact on the decision of employees to stay, it can also have a reverse effect. Too much negative feedback that is perceived to be demoralizing increases the intention of employees to leave. The result of constant negative feedback is lack of enthusiasm for the job and an unwillingness to achieve more. Where feedback does not have any consistency and seem to be without purpose, this has a negative influence on employees and they leave the employer for better prospects elsewhere as they become frustrated. In
view of the above feedback, both positive and negative, certainly impacts on the decision of an employee to stay or not, therefore employee retention is affected by feedback.

It can be concluded that employee retention rates are influenced by the way in which employees are motivated, both extrinsically and intrinsically, and through feedback from managers. These influences impact positively if these elements exist and are applied correctly by managers and negatively if these aspects are either absent or ineffectively implemented in the organization.

### 5.2.4 Retention strategies

Current retention strategies implemented by the organizations which were studied did not appear to be clearly evident. Apart from extrinsic factors such as monetary benefits, and intrinsic factors such as career development opportunities, no efforts are evident to implement specific strategies to retain talented employees. It can be concluded that due to a lack of awareness of what good retention strategies entail and the absence of a structured approach to the implementation of such strategies, very little evidence of retention strategies currently exists within the companies that were studied. Managers are more prone to handle intentions to leave in a reactive way, rather than in a proactive way. No examples of knowledge about different reasons why employees on different levels leave, is evident. Therefore, it is concluded that no specific retention strategies are used to plan the improvement of employee retention and that the different retention factors on varying levels of employment have not been studied.

Managers who know why their employees experience job satisfaction and implement appropriate strategies to keep employees happy in their jobs, have a greater chance to succeed in improving employee retention within their organization. Employees who recognize that they have a part to play in the success of the company, experience job satisfaction. Exciting and challenging work contribute to job satisfaction. For employees on higher levels, the achievement of targets and perceived progress and recognition serve to make them feel satisfied in their work.
On lower levels within the organizations that were studied, harsh and unfriendly working environments do not contribute to job satisfaction. On these levels, it is also lack of ownership that causes employees to feel dissatisfied with their work. Employees who experience the way in which they are managed as being inconsistent and non-transparent do not demonstrate job satisfaction. It can be concluded that the reasons for job satisfaction differ on the various levels of jobs, ranging from either personal growth on higher levels to working environment and management styles on lower levels.

The consideration of personality traits as part of the recruitment process to improve retention of employees, appear to have quite an impact on the studied organizations’ retention strategies. The majority of respondents from the research indicated that they did not have such strategies in place but expressed the view that it will make a difference in keeping employees in the long run. The absence of considering personality traits of prospective employees is said to result in poor decision-making when appointments are made.

Limited budget allocations coupled with the lack of commitment to follow this specialized route when new employees are recruited, are some of the reasons why personality traits are not considered as a long-term-retention factor. From both managers’ views and literature research it can be concluded that the consideration of personality traits during the recruitment process will have a positive impact on the retention strategy of the organization. Benefits include having the right person for the right job (especially essential for higher level jobs), guaranteed good performance, job satisfaction and improved retention. It can be further concluded that should personality traits of prospective employees not be considered at all before they are appointed, the risk of losing such employees due to job dissatisfaction is a possibility that will result in poor retention rates.

The best strategies to improve employee retention rate seem to be a combination of various interventions. This is evident from both respondents’ views to keep talented employees, as well as the literature research that revealed a variety of strategies that were tried and tested. What is most evident is that much more focus is given to
intrinsic rather than extrinsic factors to ensure effective retention strategies. The following intrinsic retention strategies are seen to be most valuable:

- Fostering a culture of learning and opportunities for growth
- Making employees feel valuable and a part of the organization
- Realistic expectations and recognized contributions by employees
- Positive, honest and reliable reinforcement
- Positive organizational culture
- Cater for employee wellbeing and respect for colleagues
- Listen to employees and encourage participation
- Promote ownership and good communication

The extrinsic retention strategies that seem to be most valuable are:

- Salaries and benefits
- Pay to performance
- Introducing new products to expand job possibilities

Finally, it can be concluded that the use of both intrinsic and extrinsic motivational variables by managers would be most effective in a good retention strategy.

5.3 SUMMARY OF FINDINGS

From both the literature review and the findings from the ten respondents of five medium-sized businesses in the Garden Route, it is clear that the efforts to retain competent employees remains a challenge. The matter of effective ways in which to address employee retention and how to improve on it has been studied through both a thorough research of the literature and an in-depth study of the perceptions of managers who deal with the challenges of employee retention.

It was found that engaged employees contribute greatly to improved retention if organizations succeed in encouraging participation and organizational ownership amongst employees. Engaged employees perform at a higher level than is expected and share their knowledge and skills with co-workers without fear of feeling threatened. The promotion of employee engagement is most effective if supported
by the top level of management as this encourages employees to participate and they feel valued.

Organizational commitment contributes positively to improved employee retention. Employees show their commitment to the organization through the way in which they identify with the values of the employer. Organizational commitment is promoted through shared company values, training and development opportunities, clear job expectations and employees' commitment to the success of the company.

With regards to recognition and reward as a contributor to employee retention the findings indicated that both extrinsic and intrinsic rewards motivate employees to perform better and to stay with the organization. Even though monetary benefits play a role in the decisions of employees to remain with their employer, this is not always enough to retain them. Intrinsic rewards such as growth and career development and recognition for good work, motivate employees especially on higher job levels, to stay. Positive and regular feedback as a form of recognition plays an important role in affecting employee retention.

Retention strategies that are most effective need to reflect an effective blend of both extrinsic and intrinsic factors. Although aspects such as monetary rewards and company benefits will keep employees happy up to a certain level. However, employees need to be intrinsically motivated to stay through retention factors such as career development opportunities, honest feedback, a sense of employee well-being and ownership. All of the above factors, if implemented effectively, will assist organizations in retaining valuable employees and can help to ensure the success of the business in the long run.

5.4 RECOMMENDATIONS TO INDUSTRY

In the following section, various recommendations to industry will be made in terms of the key aspects that will contribute to employee retention.
5.4.1 Introduction
After having considered the research findings and having drawn conclusions, valuable recommendations to managers in medium-sized businesses in the Garden Route can now be made to improve employee retention strategies.

While it is assumed that all organizations are in some way directed by policies and procedures, it may be necessary for industry to ensure that existing human resource policies are reviewed and gaps identified with the aim to specifically address employee retention. The human resources department can further ensure that all employees are aware of the objects of these policies in order for each employee to contribute to organizational goals.

The line managers who are seen as the implementers of policies, should be trained on these policies and should monitor the success (or lack of success) of these objectives to improve employee retention.

Despite some good retention strategies that exist, there are weaknesses in the way that managers deal with retention that have adversely affected employees and their intentions to stay. The researcher will recommend strategies for each area of employee retention that has been researched.

5.4.2 Employee engagement to be linked to organizational objectives
As is evident from the findings, the linking of organizational objectives to work activities is one of the key aspects of promoting employee engagement. The clear communication of the roles of employees and their scope of work is extremely important in ensuring that organizational goals are achieved through well informed employees. It is recommended that human resource departments conduct effective induction sessions with newly appointed employees, during which the vision and mission statements are clearly communicated. In addition, line managers should clearly discuss new employees’ job descriptions with them, linking these to organizational objectives to engage employees in taking joint ownership of achieving these goals. Employee engagement should further be embedded in the organization’s culture through relevant human resources policies.
A further recommendation to ensure employee engagement, is for organizations to encourage the sharing of knowledge and insights amongst staff. This can be achieved through a coaching and mentorship programme that makes provision for the transfer of knowledge in a structured way. The aim should be to build a trusting relationship amongst managers and employees, which is a key requirement for employee engagement. Through the coaching programme, employees will be able to experience growth and therefore employee retention is more likely to be achieved. Weekly interaction sessions within departments could help to foster a culture of sharing of knowledge and problem solving in a structured manner.

The visibility of the CEO in support of employee engagement can be facilitated through his or her involvement in welcome sessions for new employees. In order to sustain the visibility of the CEO and to ensure that all employees are aware of the strategic direction of the organization, regular roadshows can be conducted during which the CEO has the opportunity to inspire workers. The input of employees with regards to innovation and future sustainability should be considered by top management to foster a culture of engagement and ownership.

5.4.3 Fostering of organizational commitment through shared values
As organizational commitment is indicative of the emotional degree to which an employee identifies with the organization, it is recommended that in order to enhance organizational commitment of employees this aspect is addressed during the recruitment process. Employees who can be identified as willing to share the vision and mandate of the organization, will demonstrate their organizational commitment later through high work output and an obligation to achieve company goals. It is therefore recommended that organizations review and improve current hiring practices and include objectives for organizational commitment in these policies.

Clear job expectations after the appointment of employees form the next critical step in enhancing organizational commitment. Therefore it is recommended that job descriptions are clearly formulated and communicated with employees with the aim to foster job satisfaction.
Organizational commitment is also enhanced through committed efforts from organizations to develop and grow their employees. It is thus recommended that organizations be clear about training and development opportunities for employees by making this part of the individual development plans of employees. Although this would vary on the different levels within the organization, companies should strive to make provision for all levels of employment to develop employees.

5.4.4 Intrinsic and extrinsic rewards should be blended

Research findings indicated that employees are motivated to stay with their employers through both intrinsic and extrinsic rewards. In terms of monetary rewards, it is clear that if employees perceive that the compensation they get reflects the value of the work they do, they are motivated to stay and to do their best. Industry should therefore strive to match financial rewards to quality of work. These expectations should be clearly stated in terms of the connection between reward and relevant behaviour. As this is an important aspect of retention, the matter of monetary rewards should be handled sensitively and should not be underestimated in the role it plays to both serve as incentive to perform better, and to retain employees.

As far as intrinsic rewards are concerned, managers should be conscious of the important impact that retention factors such as opportunities for development and feedback to employees have. Structured monthly feedback sessions are therefore recommended, both within departments on a company level, which can serve as both an opportunity to praise good work and to reflect on challenges that can be improved. Daily feedback in the workplace between managers and subordinates are not always realistic. However, this is encouraged to build relationships and to steer the organization in the right direction to achieve goals. Feedback should therefore be consistent and fair.

5.4.5 Retention strategies should be varied and embedded in policies

Although there are various retention strategies that organizations can implement to improve the retention of employees, it is clear from research that such strategies should be embedded in the organizational culture and also in the relevant policies if they are to be effective. It is further recommended that organizations use a blend of
strategies where focus is placed on both extrinsic and intrinsic factors to retain employees.

The most prominent retention strategies that organizations should focus on are the following:

- Opportunities for employees to learn and develop
- Promotion of ownership and participation
- Honest and consistent feedback
- Recognition of contributions through specific actions such as award ceremonies, employee of the month, etc.
- Pay to performance and suitable incentives
- An exciting work environment that stimulates innovation and organizational growth.

It is recommended that managers from middle to top levels communicate the objectives of retention strategies clearly to employees on all levels. An awareness of the various strategies should be created to foster a positive organizational culture in which employees feel valued and want to stay.

5.5 LIMITATIONS OF THE STUDY AND SUGGESTED FUTURE RESEARCH

In research there are often weaknesses or deficiencies encountered during the course of the study. In this study, there were certain limitations that were experienced which will be discussed. The study also revealed certain areas of research which have not been addressed, that could be suggested for future study.

5.5.1 Limitations of the study
This study was conducted amongst only five organizations represented by two middle managers of each organization within the Garden Route area. The intention was to determine the current status of retention strategies and to develop a strategy to improve retention rates. A limitation of the study was the fact that in some organizations managers did not want to take part because of restrictions in company
policy and new respondents had to be sought. This made the process of gathering information lengthy.

The study was also limited by the fact that not all respondents were available for in-depth interviews due to workload. This might have given more insight and a deeper understanding into some of the reasons for poor retention. A further limitation was that the study was conducted in a specific region in the Southern Cape therefore views from other economic regions were not incorporated in the findings. In addition, owing to the fact that the sample consisted of middle managers only, there is a lack of transferability of the results to other levels of employment within organizations.

5.5.2 Suggestions for future research

The aim of this study and research was to determine ways of improving employee retention within organizations from various medium-sized businesses across different industries, excluding the public sector. This study could therefore be extended to determine retention strategies in the public sector. In addition future research could be conducted across different provinces to gather insight into retention strategies in different economic regions.

Another possible field of study could be to determine what capacities managers possess to implement retention strategies within their organizations and how this would impact on improving retention rates. This research could include the specific assessment of managers’ competencies to manage talent within the organization.

As it was not very clear from this study what retention strategies work best for different levels of employees, this could be an opportunity for future research. In addition, the ways in which employee retention could be measured could form part of that research.

Further research in succession planning and the handling of talent management as a reward strategy is recommended, as this is a factor that did not form part of any of the responses.
5.6 CONCLUSION

In this chapter, numerous conclusions have been drawn from the findings and research conducted. Recommendations to industry for ways in which to improve employee retention rates were made in all the relevant areas of the sub-problems. The limitations of the study were revealed and discussed. Suggestions for future research were made based on areas identified from the research findings and literature reviews.

The study revealed that in order to improve employee retention rates, organizations need to be committed to engage staff and make them part of the decision-making process within the company. Through fostering organizational commitment and ownership, employees would be much more likely to stay with the organization. The clear communication of rewards and recognition of good performance within the organization are strong contributors to improved employee retention.

It can be concluded that successful retention strategies are most effective when they include a blend of intrinsic and extrinsic factors. Top management should listen to employees and heed the advice of managers on how to best achieve high employee retention. This advice is informed by managers’ experiences on ground level and the perceptions of employees about the organization in which they work which determine their future intentions to stay or leave. Through the implementation of effective strategies it is clear that medium-sized businesses in the Garden Route can indeed improve employee retention and improve the long-term success of these organizations.
LIST OF SOURCES


Dear Respondent

IMPROVING EMPLOYEE RETENTION

I am studying towards my MBA (Masters in Business Administration) degree at the Nelson Mandela Metropolitan University Business School. I am conducting research on how to improve employee retention in businesses in the Garden Route. I believe that my study will make an important contribution to the improvement of employee retention in medium-sized businesses in the Garden Route.

You are part of our selected sample of respondents whose views we seek on the above-mentioned matter. We would therefore appreciate it if you could answer a few questions. It should not take more than fifteen minutes of your time and we want to thank you sincerely for your cooperation.

There are no correct or incorrect answers. Please answer the questions as clearly and accurately as possible. Please answer all questions.

Please also note that your participation in this study is entirely voluntary and that you have the right to withdraw from the study at any stage. Information is kept confidential and you may remain anonymous.

Thank you very much for your time and contribution to this study.

Elsa Myburgh

Tel: 083 303 7844 / elsa.myburgh@nmmu.ac.za

To verify the authenticity of this study, please contact myself or my research supervisor, Prof. Dave Berry at 041- 5043831 at NMMU.

This questionnaire has been ethically cleared by the Ethics Committee of the university.
QUESTIONNAIRE: SECTION A
CLASSIFICATION DATA

Gender: Male ☐ Female ☐

Age group: 20 - 29 ☐ 30 - 39 ☐ 40 - 49 ☐ 50 - 59 ☐ 60 + ☐

Please indicate highest qualification: ☐

Please indicate your job title: ☐

For how long have you been working for your current employer? (in years) ☐

How many years of experience do you have in your profession? ☐
QUESTIONNAIRE: SECTION B

In order to assist you in answering the questions below, please refer to Table 1 below which clarifies the terms and definitions used in the questionnaire.

Table 1:

<table>
<thead>
<tr>
<th>Retention factor</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement</td>
<td>A psychological state in which employees feel a vested interest and willingness to perform at a higher than expected level.</td>
</tr>
<tr>
<td>Advancement opportunities</td>
<td>The amount of potential for movement to higher levels within the organization</td>
</tr>
<tr>
<td>Constituent attachments</td>
<td>The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers</td>
</tr>
<tr>
<td>Extrinsic rewards</td>
<td>The amount of pay, benefits, or equivalents distributed in return for service</td>
</tr>
<tr>
<td>Intrinsic rewards</td>
<td>Aspects that internally motivate a person such as personal development and job satisfaction</td>
</tr>
<tr>
<td>Flexible work arrangements</td>
<td>The nature of the work schedule or hours</td>
</tr>
<tr>
<td>Investments</td>
<td>Perceptions about the length of service to the organization</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>The degree to which individuals like their jobs</td>
</tr>
<tr>
<td>Lack of alternatives</td>
<td>Beliefs about the unavailability of jobs outside of the organization</td>
</tr>
<tr>
<td>Location</td>
<td>The proximity of the workplace relative to one's home</td>
</tr>
<tr>
<td>Non-work influences</td>
<td>The existence of responsibilities and commitments outside of the organization</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>The degree to which individuals identify with and are involved in the organization</td>
</tr>
<tr>
<td>Organizational justice</td>
<td>Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment</td>
</tr>
<tr>
<td>Organizational prestige</td>
<td>The degree to which the organization is perceived to be reputable and well-regarded</td>
</tr>
</tbody>
</table>
1. **Employee engagement:**

1.1 What, in your opinion, are the key initiatives undertaken by your organisation that lead to employee engagement (i.e. encourage employees to be involved)?

---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------

1.2 Do your employees perform at a level which is higher than is expected of them? Please give reasons why, in your view, this is the case?

---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------

1.3 Do employees share their knowledge, experience and wisdom in the organisation? Please give reasons for your answer.

---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------

1.4 Is the CEO physically involved in the process and policies to promote employee engagement? What in your view is the impact of the CEO’s involvement, or lack of involvement, on the involvement of employees?

---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
---------------------------------------------------------------------------------------------
2. Organisational Commitment

2.1 In your view, do employees experience a sense of organisational commitment towards the employer? Please explain your view briefly.

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

2.2 Do employees share the values of your organisation, and what impact does that have on their commitment towards the organisation?

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

2.3 Please indicate what training initiatives your organisation offers to encourage development, and how these initiatives impact on organisational commitment of employees?

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

2.4 Do employees know what is expected of them? Please discuss briefly.

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
3. Recognition and reward

3.1 Are employees motivated in your workplace? Please give reasons for your view.

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

3.2 Are employees motivated by extrinsic rewards in the organisation such as money and benefits? Please explain your view briefly.

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

3.3 Do you think that employees are motivated to stay at the workplace because of intrinsic rewards such as career development and recognition? Please explain your view with examples.

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

3.4 Have employees in the last six months, experienced feedback and discussions about their progress? What do you think the impact of feedback is on the decision of an employee to stay or not to stay?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
4. Retention strategies

4.1 Are you aware of specific attempts within your organisation to keep capable employees? Please explain your answer.

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

4.2 Do employees experience job satisfaction in your organisation? Please elaborate on your answer.

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

4.3 Are employee personality traits (characteristics) given consideration in your organisation’s current recruitment policy in order to retain valuable employees in the long run? Please explain how you think this could or could not contribute to employee retention in your organisation.

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

4.4 In your view, what are the three most valuable strategies that your organisation could implement to encourage employees to stay with the organisation?

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

Thank you for your willingness to participate in the study.
E Myburgh.
## VERBATIM RESPONSES

### TABLE 1  
Source: Questionnaire, Section B

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>QUESTION 1.1</th>
<th>QUESTION 1.2</th>
<th>QUESTION 1.3</th>
<th>QUESTION 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What, in your opinion, are the key initiatives that lead to employee engagement (e.g. encourage employees to be involved)?</td>
<td>Do your employees perform at a level which is higher than is expected of them? Please give reasons why in your view this is the case.</td>
<td>Do employees share their knowledge, experience and wisdom in the organisation? Please give reasons for your answer.</td>
<td>Is the CEO physically involved in the process and policies to promote employee engagement? What in your view is the impact of the CEO’s involvement or lack of involvement on the involvement of employees?</td>
</tr>
<tr>
<td>RESPONDENT 1</td>
<td>Sharing of information. Linking objectives and goals of company to work activities.</td>
<td>Yes, on some levels. Employees have experienced growth in the company and they want to see this continue.</td>
<td>Yes, they work together in teams on important projects.</td>
<td>Yes, CEO is part of setting strategies, performance assessment and training. Also important role in communicating strategy and direction to everyone.</td>
</tr>
<tr>
<td>RESPONDENT 2</td>
<td>I think the company is quite unique and entrepreneurial to begin with and that encourages involvement, especially from young employees. Furthermore relatively good salaries and interesting work environment in new micro-technological industry.</td>
<td>Yes they do. Mostly it is just the workload that requires it and also the requirement from management. Employees are also measured by means of performance assessments each month, and good performance are rewarded with better performance bonuses – this also encourages higher levels of performance.</td>
<td>Many do. There is a good structure of team leaders doing training during probation periods and also doing checking in certain areas of work. We try to implement as much training as possible and encourage those people to share what they’ve learnt.</td>
<td>We have an MD who is involved to a certain extent, then the COO who’s more responsible for the day-to-day operations. Both are involved in processes, but it is difficult to answer as various levels are involved and I think there are also certain skills lacking perhaps, like people skills and also things within the structure making the HR function difficult.</td>
</tr>
<tr>
<td>RESPONDENT 3</td>
<td>Our active implementation of an Employment Equity and Skills Plan; our Employee wellness programme which is very active, and employee share scheme.</td>
<td>Older serving employees who are on a higher pay scale, yes, protecting their jobs and have a history with the company.</td>
<td>I think they do. We have high staff turnover in the lower levels. Old employees train new ones. At a more senior level employee work across more than one dept thus transferring knowledge. There does not seem to</td>
<td>Yes he does. We have a road show. He visits each region on a quarterly basis giving financial and performance feedback emphasising the challenges for the next period. A representative group of employees</td>
</tr>
<tr>
<td>RESPONDENT 4</td>
<td>Training and workshops on regular basis. We have recently started a career development programme for staff that was identified as possible leaders.</td>
<td>Not all employees, but most of them do. This is mainly because we are understaffed in certain departments thus the staff need to perform so that the job gets done. Also, the employees that do perform at a higher level do so because they love what they do.</td>
<td>Yes, the following examples: I can gladly say that I pass my knowledge on to other staff. One staff member that started as a student has moved into permanent positions, first as just a4ndcane and now as receptionist. I personally taught him and shared my skills. When I started I had little knowledge of finance and I learnt a lot from the finance officer especially in terms of budgets and procurement.</td>
<td>Our CEO is not physically involved in the process to promote employee engagement his is more on a regional level and the GM is involved. This works fine for our region. The CEO is however involved in the policies to promote engagement.</td>
</tr>
<tr>
<td>-------</td>
<td>------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>RESPONDENT 5</td>
<td>We have roll call at each shift. During this shift the team leader will give feedback on the previous day’s production. The team is encouraged to give their input. Once a week a safety talk is held and everyone is encouraged to participate.</td>
<td>Only a handful of employees will perform at a higher level. They feel that when they perform an extra duty, they need to be rewarded financially. Employees have this “us against them” thinking. It comes down to employee against employer and vice versa.</td>
<td>Amongst each other, yes. A machine operator will share his knowledge with those team players working closely with him. Then he will always have a back-up. Normally a general worker will assist an operator with his duty. The operator will explain the hazards and risks associated with the machine for safety reasons. This is as far as sharing knowledge will go.</td>
<td>Our CEO is a people’s person. During the first quarter he undertook a road-show where he addressed all the employees. He would start off by talking about safety. He also mentioned three things that carry the most weight with him, safety, honest and respect. I would say that he would like to see the growth in every employee and that he is very much involved in this regard.</td>
</tr>
<tr>
<td>RESPONDENT 6</td>
<td>To put a high emphasis on safety and therefore get employee involvement by using stats and team talks.</td>
<td>No. People got an attitude of just doing what is required and they do not take ownership of the area of machines they work on.</td>
<td>Some of management and employees do, but it can improve and management can promote it in the business.</td>
<td>Yes in a way the CEO is involved if it comes to safety but can be more involved by promoting ownership by leading by example.</td>
</tr>
<tr>
<td>RESPONDENT 7</td>
<td>There is continuous training of employees. There is a structure</td>
<td>Yes they do due to them being self-motivated but also being held</td>
<td>Yes through arranged interaction sessions and due to the organisational</td>
<td>Yes, the directorship must visit each of the offices countrywide</td>
</tr>
</tbody>
</table>
whereby managers must engage on a monthly basis with employees to provide feedback on issues and to obtain their input into various organisational aspects.

| Respondent 8 | Good and constant communication through e.g. newsletters, with head-office and other regional offices | Yes, there is a feeling of personal obligation to account for the level of work that is rendered. | Yes, employees share the above because it assists in solving problems and disputes. In a speedy fashion. If it is not resolved it becomes another person’s responsibility or problem. | The CEO is actively involved, and this causes staff to trust him as he knows exactly what is happening in the organisation – it motivates employees to engage as this creates a feeling of personal obligation. |
| Respondent 9 | Generally individuals working within the company are already participative as they join the organisation like-minded. Our unit enforces engagement on social awareness days that require them to become more people focused. | I do not believe that people perform better than expected but that is because they are expected to perform at a very high standard. Individuals in our unit work very hard without positive re-enforcement and become very demotivated. Those who can get out, do so. | Not all. I personally love sharing knowledge and I encourage all to do so. Project Managers generally do this well but upper management do not. My impression is that they hold on to what they know because they are threatened by skills managers moving up. | I feel that he should engage with our unit more frequently as we are directly involved with carrying out the mandate of the organisation. |
| Respondent 10 | There is a rigid performance management programme in place to manage and pay for performance. Whilst the organisation attempts to encourage employee engagement there is little tangible engagement initiatives taking place. | No. There is a culture of doing what is required, but corporate bureaucracy and a myriad of policies and procedures which are far too many to keep in mind, stifle employees’ initiative and entrepreneurial thinking. | No. On-going head-freeze and re-evaluation of the necessity for admin and general overheads keep staff counts to the minimum, which results in huge pressure on all staff. Nobody has the luxury of time to engage in this practice. | No. The CEO is merely passing down more administrative bureaucracy in the form of policies and procedures. Staff members are overwhelmed by keeping spreadsheets and processing paperwork. Engagement does not feature in any current organisational focus. |
TABLE 2  Source: Questionnaire Section B

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>QUESTION 1.1</th>
<th>QUESTION 1.2</th>
<th>QUESTION 1.3</th>
<th>QUESTION 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESPONDENT 1</strong></td>
<td>In your view, do employees experience a sense of organisational commitment towards the employer? Please explain your view briefly.</td>
<td>Do employees share the value of your organisation and what impact does that have on their commitment towards the organisation?</td>
<td>Please indicate which training initiatives your organisation offers to encourage development and how these initiatives impact on organisation commitment of employees.</td>
<td>Do employees know what is expected of them? Please discuss briefly.</td>
</tr>
<tr>
<td><strong>RESPONDENT 2</strong></td>
<td>Yes, we are a very entrepreneurial type of company which makes employees feel that it is “their” company.</td>
<td>Yes. We discuss regularly in staff meetings and department meetings. Managers need to set example.</td>
<td>We complete gap analysis and base training initiatives around this. Also encourage staff to train and educate themselves.</td>
<td>Yes. We have key performance areas and objectives and this is discussed monthly.</td>
</tr>
<tr>
<td><strong>RESPONDENT 3</strong></td>
<td>There is not a strong sense of organisational commitment except for a handful of employees who have a sentimental history with the company. Little training and remuneration packages are low. At times mention is made of the little social investment that we do. We have a high staff turnover amongst waged employees.</td>
<td>We do not have a strong culture of emphasising the values of the company. The focus is production. Having said that, the listed values are basic thus employee share the values but the feeling may be that the company does not demonstrate enough commitment to these values in its actions. This negatively influences employees.</td>
<td>Very little training initiatives. The company allocates a budget of less than 1% to training. As a result, mainly statutory training is done. The handful who did benefit from developmental training do show commitment, confirming that commitment can be strengthened by investment in employees. We see this from learnerships.</td>
<td>Yes they do know. We are a production environment so that tasks are very physical and tangible. Employees are inducted and trained in the area where they work, however, we do not have a structured way of issuing job descriptions. Managers depend on old employees coaching new ones. The more</td>
</tr>
<tr>
<td>Respondent</td>
<td>Statement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-----------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 4</strong></td>
<td>Yes. All employees strive towards contributing towards the mandate of the company which is conserving what we manage. I do think so. Their level of commitment is high. This can be seen in the low turnover. I think that if the company’s values are not shared, we will have staff that is not committed thus resulting in high staff turnover. I think that our HR department is doing enough training. Each employee’s duties and responsibilities are clearly defined in their job description and contract of employment. Regular training and information sessions conducted by the organisation contribute to the above statement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 5</strong></td>
<td>I do not think employees are committed to the employer. They feel that the employer has not respect for them and is only production driven. The employees do share some of the values. I also think this is one of the reasons why they report at the start of the shift. This has a positive impact on the organisation because in our market, we are seen as a supplier of choice. I will use myself as an example. In my department I would like to send my whole team on some kind of training that is a grade higher than their own. From the company’s side training opportunities will be advertised and everyone has the chance to apply. Bursaries are sometimes offered. This will have a direct positive impact on organizational commitment towards the employer. Employees know what is expected of them. The day they are employed, their contract is explained to them. An induction session to explain health and safety is done. Some employees are ignorant about their positions, after they become permanent employees. They will question everything and accept nothing at face value.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 6</strong></td>
<td>Because there is a lack of ownership due to management not teaching people the correct skills, there is definitely not a great deal of commitment. They do in a way, but this can improve if we continually improve our KPAs and training to uplift all the people in the company and maybe bring in an incentive scheme. We recently appointed a training officer that helps improving our quality of training and we also do better screening of new employees. Our performance reviews on our higher grade employees help determine what the needs are then we create training opportunities (also using NMMU.) The higher grade people know but the lower grade people need more training. Our operators need to take ownership of their machines and the quality that they produce.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 7</strong></td>
<td>Yes they do. The organisation rewards commitment this Yes, this makes them more committed to completing their tasks timeously and there is We have a training department that does first aid, leadership, various Yes they do. The duties and responsibilities are clearly defined</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
was done through the introduction of a provident fund bursary to encourage a knowledge expansion culture, in-house training courses, acknowledgement of the individual through personal interaction with various levels of the management structure. Through this the employees are proud to work for the organisation and they take pride in their work because they realise that they are more than merely employees.

RESPONDENT 8  
Yes, employees feel part of the organisation and as such feel personally committed to the organisation.

RESPONDENT 9  
Only from the perspective of our unit, commitment is seriously lacking from various employees. I could be that none of them are permanently employed except the big bosses.

RESPONDENT 10  
Very limited. Employees do not buy into the high level idealistic values as this is not reflected in executive conduct.
### TABLE 3  
Source: Questionnaire Section B

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>QUESTION 1.1</th>
<th>QUESTION 1.2</th>
<th>QUESTION 1.3</th>
<th>QUESTION 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are employees motivated in your workplace? Please give reasons for your view.</td>
<td>Are employees motivated by extrinsic rewards in your organisation such as money and benefits? Please explain your view briefly.</td>
<td>Do you think that employees are motivated to stay at the workplace because of intrinsic rewards such as career development and recognition? Please explain your view with examples.</td>
<td>Have employees in the last six months experienced feedback and discussions about their progress? What do you think the impact of feedback is on the decision of an employee to stay or not to stay?</td>
</tr>
<tr>
<td>RESPONDENT 1</td>
<td>Yes. Pay good salaries, create work environment where people enjoy work and have the opportunity to grow.</td>
<td>Yes, tough economic times – necessity for everyone.</td>
<td>Yes, some employees want to achieve higher goals and aspirations. The growth of the company allows opportunities.</td>
<td>Yes, this is done monthly. It motivates employees.</td>
</tr>
<tr>
<td>RESPONDENT 2</td>
<td>Not enough in my opinion. There are the monthly performance assessments and bonuses. But besides that, hardly anything else – and I feel that even the assessment and the “appraisal as such” must be handled separately, to be viewed positively.</td>
<td>Same as above. No benefits at this stage. Only bonuses.</td>
<td>I think career development can be a good motivation, there is quite some room for growth, it is a young company with new positions and new challenges.</td>
<td>Yes, as answered in previous questions – probation meetings and performance counselling meetings. Sometimes the feedback can motivate improved performance. But it can also make staff negative, especially too prolonged probation.</td>
</tr>
<tr>
<td>RESPONDENT 3</td>
<td>Motivation levels are low. Remuneration is comparatively speaking low, benefits are very basic. Some benefits have been reduced. Management is demanding greater flexibility from staff re shifts, working public holidays and overtime which employees are resisting.</td>
<td>Very much so. Wages are low and cost of living is high. Employees are also demotivated by large differences in remuneration between employees performing the same jobs, of which employees are aware.</td>
<td>I don’t think so. This would apply to senior positions only of those who can pursue a career on a national scale. We have limited training and no career pathing. There is structured recognition for long service but none for performance.</td>
<td>No formal feedback. We happened to have a lot of informal feedback, all negative from a recently appointed manager. Otherwise none. Feedback impacts greatly – we had 2 managers resign and one submitting a grievance in the last 2 months due to the manner/type of feedback. Employees would say that they will then just do what they must, with no enthusiasm, if the manager can never be satisfied.</td>
</tr>
<tr>
<td>RESPONDENT 4</td>
<td>In my view, no: Remuneration and insufficient staff is the two biggest</td>
<td>No, see point 3 above.</td>
<td>In my view employee motivation currently lacks in the</td>
<td>In my view, no. It leaves staff demotivated.</td>
</tr>
<tr>
<td>RESPONDENT 5</td>
<td>contributors to demotivation.</td>
<td>organisation due to low salaries and insufficient staff.</td>
<td>VERBATIM RESPONSES</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------</td>
<td>----------------------------------------------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>Yes they are. When an employee is still a casual worker, he will try his best to become permanent. The reason is because he knows that when he is permanent, he will also enjoy the company benefits like being a member of the provident fund.</td>
<td>I do not think so. Employees are here to earn money to support their dependents. Some employees are happy to stay in one position because this is their comfort zone. Like for instance one of my general workers is a timber stacker for the last seven years. I asked him if he wanted to progress and he said he is ok where he is.</td>
<td>We as team leaders are now encouraged to have one-on-one discussions with all our employees. I think the employee would value the feedback on progress, as this would motivate them to grow even more to achieve new heights within the company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESPONDENT 6</td>
<td>Not enough. We only give rewards if we reach 250 000 hours without a serious injury but I think the company can give rewards on production and quality targets more.</td>
<td>Not in a big way. I think more if the company can ensure their future and job security that this is more of a motivation. Rewards for me will improve the quality of output that you will get from the employees and also skill development.</td>
<td>Yes. There is a huge impact because they realise that it will have a great impact on their future increases and promotion in the company.</td>
<td></td>
</tr>
<tr>
<td>RESPONDENT 7</td>
<td>The employees are motivated by a level of extrinsic rewards, this is evident by the commission earned by referral of new clients. However some of the employees provide a lot more referrals than other employees, possibly because they are more extrinsically motivated than the others.</td>
<td>I believe that they remain due to a combination of a good salary combined with a work environment wherein they are able to grow within the organisation and a culture of growth and acknowledgement.</td>
<td>Yes, they had performance appraisals in June wherein they are assessed on a more formal basis (there is continuous assessments and feedback given daily due to the nature of the work). The feedback has little impact on their decision to remain with the organisation.</td>
<td></td>
</tr>
<tr>
<td>RESPONDENT 8</td>
<td>Yes, the personal feeling of obligation to do a good job coupled with recognition and reward that comes with it, motivates them.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes, being remunerated on a fair scale makes the difficult nature of the functions performed easier to deal with. Rewards like commission also have a big impact on servicing and recruiting new clients.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes, the extrinsic rewards only motivate up to a certain point, and there is always the possibility of a position with better/similar extrinsic rewards. Once that point is reached it is the intrinsic rewards that keep an employee motivated to perform and or to stay within an organisation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes, employees know how they are viewed and the removal of uncertainty has a big impact on a decision to stay or not.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESPONDENT 9</th>
<th>No. We have award ceremonies annually so on paper there seems to be motivation to perform, but on the ground level individuals see this ceremony as a farce and are often demotivated by it.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes, even though psychologists will tell you that money should not be your only purpose for working our organisation is known to underpay if you compare to other organisations. And also no, as this is probably the one pace that people will work irrespective of their salaries because of the vision.</td>
</tr>
<tr>
<td></td>
<td>No. People eventually leave because of lack of recognition and career development. They stay because they work in the outdoors and in communities and that environment is what motivates them.</td>
</tr>
<tr>
<td></td>
<td>Once again on paper, we are regularly assessed. But his has become to a large degree merely that: a paper exercise.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESPONDENT 10</th>
<th>There are staff of the month awards, but staff has a dubious view of these, given the general suspicion of management intent. Even coaching and mentoring is encouraged, but demands from workloads provide very little opportunity for motivating activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hardly. Employees mostly want a happy workplace that make them feel secure and is a pleasure to go to. Obviously a good salary is important, but this does not motivate employees, it just prevents them from leaving.</td>
</tr>
<tr>
<td></td>
<td>See above. I agree that work conditions, secure jobs, career development and recognition all contribute to retention. Our organisation are losing good staff due to a lack of the above.</td>
</tr>
<tr>
<td></td>
<td>Yes. We conduct bi-annual performance evaluations. I don't believe this impacts on voluntary retention, but rather on performance. Staff members who do not perform will be terminated as a result of non-performance, not performance evaluation discussions.</td>
</tr>
</tbody>
</table>
## TABLE 4
Source: Questionnaire Section B

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>QUESTION 1.1</th>
<th>QUESTION 1.2</th>
<th>QUESTION 1.3</th>
<th>QUESTION 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are you aware of specific attempts within your organisation to keep capable employees? Please explain your answer.</td>
<td>Do employees experience job satisfaction in your organisation? Please elaborate on your answer.</td>
<td>Are employee personality traits (characteristics) given consideration in your organisation's current recruitment policy in order to retain valuable employees in the long run? Please explain how you think this could or could not contribute to employee retention in your organisation.</td>
<td>In your view, what are the three most valuable strategies that your organisation could implement to encourage employees to stay with the organisation?</td>
</tr>
<tr>
<td>RESPONDENT 1</td>
<td>We look after key employees by paying good salaries, let them grow in job and learn new things.</td>
<td>Yes. The company is entrepreneurial. Everyone plays a huge part in the growth of the company.</td>
<td>Yes, depending on the type of job and if it is a leadership position.</td>
<td>Growth and development opportunities; make them feel important in the strategy of the company; knowing how they will contribute. Good salaries and benefits.</td>
</tr>
<tr>
<td>RESPONDENT 2</td>
<td>Not something extraordinary that I know of—maybe good salaries.</td>
<td>Difficult to answer. Variety of work and departments. Some work can be very monotonous. But overall I think, yes, it can be exciting and staff is satisfied.</td>
<td>We try to do better interviews, using scorecards etc., but I would prefer doing some more – like psychometric tests etc. We often find that in the end, someone is not really right for a certain department, but a wonderful employee, but then it is difficult to “move around”</td>
<td>Employee Benefits. More Positive reinforcement – like appraisals in various forms. Perhaps just a little less of the “negative” – focus more on creating a good organizational culture.</td>
</tr>
<tr>
<td>RESPONDENT 3</td>
<td>Yes. The 3 managers referred to must be viewed as capable managers because one was persuaded to withdraw his resignation, the second they tried to persuade him but was unsuccessful; the third is going on a seminar/course. Attempts to keep employees appear only when the employee is at a point of resignation or crisis. No structured ways to</td>
<td>The lower level employees experience less, if any. Their work is mundane, cold environment, dusty and muddy. The higher level and artisans would experience more job satisfaction since a production environment where the mechanics work and targets are achieved in itself delivers job satisfaction.</td>
<td>No personality profiling takes place. No discussions of dynamic teams take place. So essentially not. Best characteristics to match the job are assessed informally in interviews to some degree only. This is done as a substitute for a more costly and structured way to do it. We are limited by budget and commitment to it. Having the right</td>
<td>Equitable benefits (not even greater benefits, just equitable). More training and development. Structured performance feedback</td>
</tr>
<tr>
<td>Respondent</td>
<td>Verbatim Response</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 4</strong></td>
<td>We have recently started a career development program for staff that was identified as possible leaders.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes, most of the employees have long service between 10 and 35 years. This indicates to me that there must be some sort of job satisfaction.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am not sure; not in the interviews in which I take place.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>More career development opportunities to more staff members. Better remuneration for the lower staff levels. Focus more on employee wellbeing programs where the families of staff members can benefit as well.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 5</strong></td>
<td>I am not aware of such attempts. The reason is that you will find employees from management to general workers leaving the employ of the company and being replaced with the ones on a regular basis.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No I do not think so. Most employees are unhappy in their jobs because they do not experience a sense of ownership. They do not feel part of the company, only hired for their hands.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not think so but I feel it should be. We are a diverse nation and I think that when a person is interviewed the interviewer must understand the person's background before he places him in a position which is not suitable. We should treat employees how they would like to be treated – this is one sure aspect of employee retention.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All employees must be treated with respect. We must pick the minds of the employees, this will encourage involvement. Listen and most important hear what employees are saying.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Respondent 6</strong></td>
<td>In a way (learner-ships), but I think the company can improve on creating more involvement on the artisan level.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No, because of the lack of ownership employees tend to just be at work and not really care what happens in his workplace, or with the company.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I think we realise that that was a shortfall on the human resource side, so we are currently working on the problem. It will be an advantage for any company to employ the best people but it is also important to realise that this is not always possible, so we must look for people that have the character to be willing to improve their way of living.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ownership. Training and skills development (appointing the right people for the right job). Teambuilding and management involvement like rewards.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESPONDENT 7</td>
<td>I believe the offer of a bursary is conducive to retaining the employees that have undertaken formal forms of education to expand their knowledge. But besides this there is little retention strategies.</td>
<td>Yes, due to the nature of our work which tends to be quite negative in the legal field, a positive reaction to a case won or recognition by management of their effective and hard work does create job satisfaction.</td>
<td>Personality traits are not considered formally. It will be up to the capacity of the manager who appoints the employee to be able to ascertain whether they shall fit into the culture of the organisation.</td>
<td>Structured succession planning. Introduction of new products to expand the job possibilities. Pay to performance.</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>RESPONDENT 8</td>
<td>Yes, they are rewarded based on performance.</td>
<td>Yes, in a dispute (which we work with) there is a winner and a loser, so obviously winning gives great job satisfaction. Recognition also plays a major role.</td>
<td>Yes, it contributes to employee retention because it indicates how the person will slot in, in the organisation, giving a good indication if they will be happy and satisfied with the working environment.</td>
<td>Better communication. Better remuneration. Better recognition.</td>
</tr>
<tr>
<td>RESPONDENT 9</td>
<td>Our unit is run in a dictator-like fashion, so no attempts are made to keep staff. If the manager likes you she will manipulate processes to promote you.</td>
<td>Yes, people choose to work here. It is the unit structure and politics that become demotivating. Inconsistency and non-transparency demotivate my staff.</td>
<td>Not at all. Our unit lacks an effective HR function. If personality traits were taken into consideration we could be so much more productive.</td>
<td>Place correct personalities in relevant roles. Adopt a culture of learning. Recognition where necessary and reward financially, and/or with promotion.</td>
</tr>
<tr>
<td>RESPONDENT 10</td>
<td>NO. The company thinks everybody is dispensable.</td>
<td>There is a sense of achievement when the very high demands are met, but it is generally more demoralising trying to contend with demands.</td>
<td>Yes, the organisation makes use of a PPA test to test personalities’ appropriateness for positions. That way staff is only considered for positions for which they exhibit the required temperament.</td>
<td>Create a work environment where expectations from staff are realistic. Provide a support structure on which staff can rely. Align the values with that which is realistically expected from employees.</td>
</tr>
</tbody>
</table>
ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESES

Please type or complete in black ink

FACULTY: ________________ Management Sciences ______________________________

SCHOOL/DEPARTMENT: __________ Graduate School ____________________________

I, ___ Professor Dave Berry _______________

the supervisor for ___ E Myburgh ______________

(student number) __211261246 ______________________________

a candidate for the degree of ___ Masters in Business Administration __________


"Strategies to improve employee retention in medium-sized businesses in the Garden Route"

considered the following ethics criteria (please tick the appropriate block):

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>2. Is the study based on a research population defined as ‘vulnerable’ in terms of age, physical characteristics and/or disease status?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>2.1 Are subjects/participants/respondents of your study:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Children under the age of 18?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(b) NMMU staff?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(c) NMMU students?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(d) The elderly/persons over the age of 60?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(e) A sample from an institution (e.g. hospital/school)?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(f) Handicapped (e.g. mentally or physically)?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(g) Socially/economically disadvantaged?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Yes/No</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>3. Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>3.1 Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4. Will the participant’s privacy, anonymity and confidentiality be disclosed/revealed?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4.1 Are you administering a questionnaire/survey that:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Collects sensitive/identifiable data from participants?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(b) Does not guarantee the anonymity of the participant?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(c) Does not guarantee the confidentiality of the participant and the data?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(d) Will be distributed electronically (e.g. online via email/web link)?</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

*Please note that if **ANY** of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty Ethics Co-ordinator.*

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

________________________    _________________
SUPERVISOR(S)                  DATE

________________________    _________________
HEAD OF DEPARTMENT             DATE

________________________    _________________
STUDENT(S)                    DATE

*Please ensure that the research methodology section from the proposal is attached to this form.*
ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESSES

Please type or complete in black ink

FACULTY: _______________ Management Sciences__________________________

SCHOOL/DEPARTMENT: _______________ Graduate School__________________________

I, ___ Professor Dave Berry__________________________

the supervisor for ___ E Myburgh__________________________

(student number) ___ 211261246_____________________________________

a candidate for the degree of ___ Masters in Business Administration________________


__ "Improving employee retention in medium-sized businesses in the Garden Route"

considered the following ethics criteria (please tick the appropriate block):

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>2. Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>2.1 Are subjects/participants/respondents of your study:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Children under the age of 18?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(b) NMMU staff?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(c) NMMU students?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(d) The elderly/persons over the age of 60?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(e) A sample from an institution (e.g. hospital/school)?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(f) Handicapped (e.g. mentally or physically)?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>(g) Socially/economically disadvantaged?</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
3. Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people) | No
---|---
3.1 Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)? | No
4. Will the participant's privacy, anonymity and confidentiality be disclosed/revealed? | No
4.1 Are you administering a questionnaire/survey that:
(a) Collects sensitive/identifiable data from participants? | No
(b) Does not guarantee the anonymity of the participant? | No
(c) Does not guarantee the confidentiality of the participant and the data? | No
(d) Will be distributed electronically (e.g. online via email/web link)? | No

Please note that if ANY of the questions above have been answered in the affirmative (YES), the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty Ethics Coordinator.

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

[Signature]
SUPERVISOR(S)  
[Signature]
HEAD OF DEPARTMENT  
[Signature]
STUDENT(S)  

2/8/2013  
DATE
2/8/2013  
DATE
2/8/2013  
DATE

Please ensure that the research methodology section from the proposal is attached to this form.