CORPORATE GOVERNANCE, CSR AND USING MENTAL MODELS IN EMPLOYEE RETENTION

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Abstract

The value added contribution of this article is twofold. Firstly, this article advocates that Board members, Directors and Managers must have a clear understanding that the mental models of employees and themselves influence the effectiveness of strategies implemented within an effective Corporate Governance (CG) and Corporate Social Responsibility (CSR) framework. Secondly, this article uses data collected and findings from participants in Australia and South Africa regarding the factors (from their mental model) that retain them in their organisation as one example of how Board members, Directors and Managers could explore the mental models of their employees regarding retention and then develop strategies (within a CSR framework) based on a solid CG foundation.

Keywords: Corporate Governance, Corporate Social Responsibility, Internal stakeholders, Retention of employees, Mental models

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Introduction

This article advocates that the board members, directors and managers must have a clear awareness and understanding of the mental models (perspectives) of employees as well as their own regarding a specific topic. An understanding of the mental model related to a specific topic (for example retention) will influence the effectiveness of strategies implemented within an effective Corporate Governance (CG) and Corporate Social Responsibility (CSR) framework. This article describes data collected during a study among participants in Australia and South Africa regarding the factors from their perspective (mental model) which retain them in their organisation and strategies to increase retention rates (based on the feedback of the participants in the study. These are one example of how board members, directors and managers could explore the mental models of their employees regarding a specific topic (eg retention) and develop strategies (within a CSR program or framework) based in a solid CG foundation.

The aim and value added contribution of this article is twofold. Firstly, it can potentially create awareness among board members, directors and managers of the importance of their own and their employees' mental models related to specific topics. Secondly, it provides one example of how the mental model (perspective) of the employees regarding retention could be used to develop strategies to increase the retention rates within an effective CG and CSR Framework.

The issue of CG is becoming more prominent and important in the light of the many corporate scandals.

At the same time CSR is becoming more prominent on boardroom agendas and companies are building CSR and the underlying programs related to CSR into their business strategies. CG is about compliance and accountability to shareholders and is the system by which companies are directed and controlled. Good CG goes beyond just compliance and includes that Corporate Board structures and procedures need to reflect best practice (Money & Schepers, 2007). CG means to be held accountable for and applying the letter of the law, is required to provide protection against abuse and in general it is the way a business is run (Jamali, Safieddine & Rabbath, 2008). There is no single definition for CSR but there is general consensus that it goes beyond philanthropy and volunteerism to include managing stakeholders and undertaking activities that go beyond compliance (Money & Schepers, 2007). CSR means to take account of and represent the spirit of the law. It is a general sense of responsibility that goes beyond the letter of the law. CSR represents the company's conscience. It is not legally binding but morally guiding (Jamali, Safieddine & Rabbath, 2008).

Jamali, Safieddine and Rabbath (2008) mention two approaches to CG, namely a broader and a narrow approach. Firstly, the broader approach to CG includes answerability to all stakeholders. Secondly, a narrow approach that includes compliance, accountability and transparency. They also mention two approaches to CSR, namely an external and internal dimension approach. The external approach postulates that companies consist of a network of stakeholder relationships and have an obligation to these different stakeholders. The internal dimension to

CSR postulates that the company has a responsibility to internal stakeholders by addressing aspects such as skills and education, work place safety, labour rights and working conditions.

Jamali, Safieddine and Rabbath (2008) believe there is overlap between CG and CSR and that good governance includes responsibility and regards for the wishes of and ensuring that companies are answerable to all key stakeholders. The King Committee (2002) from the Institute of Directors in South Africa supports the notion that CSR is one of the key characteristics of good governance. In a study including top managers from companies based in Lebanon, Jamali, Safieddine and Rabbath (2008) came to a few final conclusions. Firstly, CG and CSR should not be considered independently and CSR strategies must be rooted in a solid internal CG foundation. Secondly, CG is not effective without sustainable CSR strategies as the company has to respond to the needs of the various stakeholders to create value for the shareholders and be profitable. This conclusion is consistent with the findings from a study by Money and Schepers (2007) based on the perspective of main board directors in 13 selected FTSE 100 companies which indicated that there cannot be shareholder value without stakeholder value. Thirdly (similar to the view of Elkington, 2006), the CSR agenda is progressively an extension of the CG agenda of the company and that it is the responsibility of the corporate boards.

CSR is regarded as a key strategy to attract and retain key quality employees in a company who deliver greater shareholder return and give companies a competitive edge. Therefore, companies should improve the programs that reward and recognise employees for a critical role in creating value (Bridges & Harrison 2003; Money & Schepers, 2007; Muldowney, 2005).

Based on the previous discussion and for the purpose of this article the author accepts the following assumptions:

- the broader approach to CG which means the company is answerable to all the key stakeholders;
- good CG includes good CSR strategies and CSR increases employee retention delivering greater shareholder return; and
- the internal dimension to CSR where the company is responsible to internal stakeholders (eg. to improve the working conditions) and this article focuses on the employees as key internal stakeholders.

Based on these assumptions and the statement by Lehman (2007, p. 162) that 'companies that truly engage themselves with what their people want will be the ones that thrive', a set of questions arose for the author. These questions were:

- Does the company (board members, directors and managers) really know what the employees want regarding working conditions?

- Or do board members, directors and managers think that they know?
- Or is it a 'better' approach to ask the employees what they actually want?

From the view (perspective) of the manager, there are many management and HR strategies (within the CSR context) that could be implemented to improve the working conditions of internal stakeholders (the employees). However, this raised another set of questions:

- Will these strategies (from the perspective of the employees) be applicable and suitable to improve their working conditions?
- Would the employees' ideas of what strategies they want implemented differ from the strategies that the managers view applicable?

This leads to the concept of different views or perspectives (or mental models). The managers and board members (and others involved in CG and CSR of the company) have a specific mental model (view, perspective) of the strategies needed to improve the working conditions of the employees. Similarly, the employees have a specific mental model (view, perspective) of the strategies needed to improve their working conditions. However, it is very important that the managers (and board members etc) are aware of and understand the mental model of the employees (or a group of employees) or the implemented strategies will be ineffective in improving working conditions for the employees. To understand the mental model of the employees, they need to be asked what their view is; what are their needs and what are the favourable working conditions that will keep them productive, satisfied and working in the company?

This article uses data collected during a study among participants in Australia and South Africa regarding the factors from their perspective (mental model) retaining them in the organisation and strategies to improve the working conditions of employees (based on the mental model of the participants in the study) as an example of how Board members, Directors and Managers could explore the mental models of their employees regarding working conditions and develop strategies (within a CSR program or framework) based in a solid CG foundation.

The aim and value added contribution of this article is twofold. Firstly, it can potentially alert managers and board members to the overlap and interrelationships between CG and CSR. Secondly, raise the awareness of CSR as a mechanism to increase retention among employees (as internal stakeholders) and of the different perspectives (mental models) regarding the factors influencing retention rates among employees. Thirdly, it offers potential strategies for practical implementation.

Literature review
Corporate Governance (CG) and Corporate Social Responsibility (CSR)

CG is about compliance and accountability to shareholders and is the system by which companies are directed and controlled with the control actions represented in compliance, transparency and accountability (Cadbury, 2000; MacMillan, et al. 2004). Good CG goes beyond just compliance and ensuring that all the codes are followed to include that board structures and procedures need to reflect and keep up with best practice (Money & Schepers, 2007). CG means to be held accountable for and applying the letter of the law. CG is required to provide protection against abuse and in general it is the way a business is run; it sets the tone and defines how power is exerted and decisions are made. Good CG aims to continuously refine laws, regulations that govern the companies' operations to ensure that shareholder rights are protected and that stakeholder interests are reconciled (Jamali, Safieddine & Rabbath, 2008).

Companies are recognising that CSR is part of the corporate identity and responsibility (Garriga & Melé, 2004; Welford, 2004) and companies are taking CSR more seriously and building CSR programs into the core business strategies (Money & Schepers, 2007). There are many definitions for CSR available but it is difficult to develop a universal definition for CSR (Longo, Mura & Bonoli, 2005). Although there is no single definition for CSR, there is general consensus that it goes beyond philanthropy and volunteerism to include managing stakeholders and undertaking voluntary activities that go beyond compliance and the legal obligations of a company. CSR means to take account of and represents the spirit of the law. It is a general sense of responsibility that goes beyond the letter of the law. CSR represents the company's conscience. It is not legally binding but morally guiding (Jamali, Safieddine & Rabbath, 2008). In addition, there is an etic dimension which represents the universal recognition of CSR as a label and as a holistic concept and an emic dimension which represents the unique interpretation and implementation of CSR in a specific company to suit the internal and external environment of that company (Naudé, 2008).

Jamali, Safieddine and Rabbath (2008) believe there is overlap between CG and CSR and that good governance includes responsibility and regards for the wishes of and ensuring that organizations are answerable to all key stakeholders. The King Committee (2002) from the Institute of Directors in South Africa supports this notion that CSR is one of the key characteristics of good governance. In a study including top managers from companies based in Lebanon, Jamali, Safieddine and Rabbath (2008) came to a few final conclusions. Firstly that CG and CSR should not be considered independently and that CSR strategies must be rooted in a solid internal CG foundation. Secondly that CG is not effective without sustainable CSR strategies as the company has to respond to the needs of the various stakeholders to create value for the shareholders and be profitable. This conclusion is consistent with the findings from a study by Money and Schepers (2007) based on the perspective of main board directors in 13 selected FTSE 100 companies which indicated that there cannot be shareholder value without stakeholder value. Thirdly (similar to the view by Elkington 2006) the CSR agenda is progressively an extension of the CG agenda of the company and it is the responsibility of Corporate boards. Bhattacharya, Sen and Korschun (2008) added that was previously ancillary to business is becoming and essential part and companies need to shift their approaches to CSR.

Changing business environment and employee retention

As discussed earlier, there is an interrelationship between CG and CSR. In addition, in a changing business environment the notion that shareholder value is the objective best suited for the governance of a company has shifted and companies are looking beyond financial accountability as the only way to create shareholder value. There is a shift from a shareholder-based to a stakeholder-based approach and that there cannot be shareholder value without stakeholder value (Money & Schepers, 2007). Shareholder value is delivered through employee performance and there is a natural connection between CSR initiatives and Human Resource Development (Fenwick & Bierema, 2008). Employees (as the human capital component) are central to performance management as they alone can initiate value-enhancing use of the other forms of organisational capital, such as financial capital. Human capital is less visible and measurable than financial capital but is the main driver for success, making it the 'heart and soul' of an organisation. The commitment and contribution of employees must be elicited and not assumed. Employees have a unique capacity to recognise and deploy other assets (Simmons, 2008).

The human-asset model (as currently recognised) postulated that organisations are defined as a network of human assets (including employees) and it is advocated that success is determined by the extent to which these assets are motivated to pursue a common vision and purpose (Ledwidge, 2007). The current competitive environment employee commitment is more crucial than ever to gain and maintain competitive and financial advantage. Employees are responsible for creating and implementing ideas, tactics and plans to build and maintain value for the shareholders (Bridges & Harrison, 2003). Employees are critical in keeping the customers, and employees who are dissatisfied cannot satisfy the customers and ultimately cannot create value for the shareholders. There is significant evidence that if employees believe that they are valued less than the other

stakeholders, they are less committed. Employees must be treated not as costs to be cut but as assets to be developed (Bridges, Marcum & Harrison, 2003).

Within this changing business environment company boards, directors and managers need to understand the interrelationship between CG, CSR and retention of employees.

During unstable, changing and challenging times, it is increasingly important to retain employees and their knowledge, skills and experience; to maintain a high level of productivity. Through higher retention rates companies are able to spend time, money and energy on innovation and growth (Agarwala, 2003; Dupré & Day, 2007; Macdonald, 2004; Tyler, 2007). There is no formula that can be applied to all industries and all companies. However, as an example, the turnover cost of health professionals in a medical centre represents around 5% of the total operating budget (Contino, 2002; Waldman, et al. 2004). The American Hay Group estimated that replacement cost is around 50-60% of a person's annual salary (Mitchell et al. 2001).

Money and Schepers (2007) stated that CSR is regarded as a key strategy to attract and retain key employees in a company. Bhattacharya, Sen and Korschun (2008) and Muldowney (2005) believe that a company's CSR activities are increasingly important to the retention of good employees. In addition, it humanises a company as a contributor to society, builds a positive reputation, provides a genuine point of differentiation, gives a company a competitive edge and these employees deliver greater shareholder return.

Bhattacharya, Sen and Korschun (2008) view the employees as internal customers (or internal stakeholders) whose needs are fulfilled through a range of job-products (including salary, benefits packages). They are of the opinion that "few managers are clear about how to identify and understand the needs of different employee segments and subsequently configure their CSR efforts to address the unique needs of each segment." (Bhattacharya, Sen & Korschun, 2008, p. 38). In a study to understand when, how and why employees react to CSR, they found that one of the barriers that managers face in using CSR to retain employees is a limited understanding of those employee needs fulfilled by CSR. In their view, the success of the job-product stems from the extent to which is it able to fulfil the employee needs. However, the task of understanding (and unearthing) the needs of the employees is not straightforward and it is complicated by the fact that one size will not fit all but the needs will vary and will also vary in relative importance across employee segments. Lehman (2007, p.162) added that 'companies that truly engage themselves with what their people want will be the ones that thrive.' This is consistent with the view by Sumner (2005) that smart managers know engaged and satisfied employees are better for business as disgruntled employees could leave to join the competition.

Retaining top employees is as crucial as recruiting new employees and organisations successful in retaining employees consciously create a culture of engagement which in turn contributes to improve the business performance (Malensek, 2008).

The question that arose for the author/researcher was: Does the company (board members, directors and managers) really know what the employees want regarding working conditions? Or do board members, directors and managers think that they know? Or is it a 'better' approach to ask the employees what they actually want? And this is where mental models become applicable and important.

Mental models

Although board members, directors and managers in companies have their 'own ideas' and perceptions (mental models) of what keeps an employee working at a specific company, the employees each have their own mental model (perspective) of the factors that keep them working in the specific organization. A mental model is 'an integrative set of ideas and practices that shape the ways people view and interact with the world.' (Senge, 1994, p. 16). Mental models are 'deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action' (Senge, 2006, p. 8) and internal pictures, beliefs, assumptions, generalisations that people hold regarding an issue, for example family, the business, or how the world works. Every experience is filtered through basic assumptions, principles and premises that the mind holds. These are value based frameworks and provide the context that people use to interpret situations, perceive, classify, organize new and existing information, and meet challenges and opportunities. Therefore, they influence the way a person perceives an event and shape the way a person acts, meaning that two people will observe the same event and interpret it differently, leading to different actions (Brown, 1994; Hubiak & O'Donnell, 1996; Senge 1992; Reineck, 2002; Anonymous 1997).

Mental models are advantageous as they provide a framework for processing information, decision making and problem solving. Very strong mental models will cause people to only hear what supports their mental models and filter out the rest of the information, blinding people to the real situation. The information that does not support the mental model is discarded as wrong or not applicable. Therefore, it is crucial that people question, continually reflect upon, clarify their mental models and think actively about their assumptions (Brown, 1994; Hubiak & O'Donnell, 1996; Reineck, 2002; Senge, 1992; Anonymous, 1997). Managers should focus on meeting the different needs of individual employees (Reineck, 2002).

Similar to individuals, organizations develop mental models manifesting in culture, routines and the unwritten rules of behaviour and these should be

analysed and questioned. Outsiders who have a different mental model or new employees joining the organization may prompt the organization to analyse and rethink its mental model. Benchmarking can also open thinking and active questioning of mental models, encourage experimenting with new ideas, developing a questioning culture and asking the "what if" questions (Anonymous, 1997).

Mental models need to shift to match the shift in business reality to ensure competitive advantage and survival of the organization (Brown, 1994). Added to this notion is the statement by Lehman (2007, p. 162) that 'companies that truly engage themselves with what their people want will be the ones that thrive'. This thinking lead to the following questions:

- Do the board members, directors and managers actually know what the employees want regarding working conditions or do they think they know?
- Or is it a 'better' approach to ask the employees what they actually want?

Following from these questions, another set of questions arose for the author and included:

- Will these strategies (from the perspective of the employees) be applicable and suitable to improve their working conditions?
- Would the employees' ideas of what strategies they want implemented differ from the strategies that the managers view applicable?

The article advocates that board members, directors and managers must be aware that there are different mental models. This awareness of different mental models should be applied to all areas in the company. The author uses the data collected during a study among participants in Australia and South Africa regarding the factors from their perspective (mental model) retaining them in the organisation as one example. In addition in the last part of this article, strategies to improve the working conditions of employees (based on the mental model of the participants in the study) are provided as examples of how board members, directors and managers could explore the mental models of their employees regarding working conditions and develop strategies (within a CSR program or framework) based on a solid CG foundation. The suggested strategies are a combination of ideas mentioned by the participants in this study and selected, applicable literature.

In the study, the author asked different cohorts of employees what is actually keeping them at a specific organisation. The aim was not to compare perspectives of participants in different companies or countries but to obtain a rich and diverse variety of views and ideas.

Research methods
Ethical aspects
The project was approved under Curtin University of Technology's research ethics processes. Participants signed informed consent. To enhance understanding of the project by participants, an information sheet outlining the project was attached to each survey.

Sample
Participants were from 7 public and private hospitals in Australia and South Africa. The participants included Directors of Nursing, Nursing Managers (middle managers), different levels of clinical, registered professional nurses, staff and enrolled nurses. In each hospital there was a contact person who randomly selected applicable participants who had worked at that specific organization for at least 2 years prior to the study.

Data collection
A survey was used to collect the data. Section A contained demographic data of the participants (such as age, gender, area of practice) that could contextualize the findings. Section B contained an open question that the participant used to write a narrative from his/her perspective and which asked them to "P*lease describe the factors (aspects, things) that are motivating you to remain working at this hospital.*" Narratives were used as they provide knowledge on the environment and context of the employee specifically from the view (and mental model) of the employee.

Data analysis
Feedback was analysed through content analysis (Cresswell, 1998) and coded into categories. The first step was for the researcher to read through the narratives, identify and code main themes (categories). After the researcher decided upon and coded the main themes, N*Vivo software was used to assist with data management.

Findings
Four hundred (400) surveys were distributed in Australia throughout three public and private hospitals and 153 (38.25%) were returned. From this returned group, 139 (34.75%) were fully completed. Three hundred questionnaires were distributed in 4 public and private hospitals in South Africa; 150 (50%) were returned and 123 (41%) fully completed questionnaires were analysed.

Table 1 depicts the "top 10" factors that increase the retention rate for an organization.

In table 1, the number after each category reflects the frequency with which comments were made for that specific category. In the analysis, no significance is attached to the number of comments relevant to each category and it is not an attempt to quantify the data. The frequencies were used to prioritise the categories in order of what seems to be the importance for the participants, with the category that attracted the highest frequency assumed to be the category that had the highest priority. It must be stated clearly that the author:

- regards all categories (views and perspectives) from the participants of equal value and importance; and

- regards all the categories as interconnected and interrelated.

Table 1. The "top 10" factors for remaining in an organization

South Africa	Australia
Friendly and supportive co-workers (20)	Friendly and supportive co-workers (68)
Effective teamwork (25)	Supportive and effective management (41)
Close to home (24)	Good working environment such as equipment, supplies (non-people aspects) (34)
Good employment benefits (23)	Job satisfaction (30)
Good working environment such as equipment, supplies (non-people aspects) (22)	Good employment benefits (29)
Job satisfaction (20)	Good staff development (28)
Supportive and effective management (17)	Flexible working hours (16)
Familiarity/loyalty/pride (15)	Close to home (15)
Variety in job and clinical conditions (14)	Variety in job and clinical conditions (13)
Good staff development (13)	Effective teamwork (10)

However, as a result of the constraints of an article and for practical reasons the author selected the "top 2" factors in each participant group (Australia and South Africa) for inclusion in this discussion and they are labelled as the core retention factors (and within the context of this article the working conditions reflected by internal stakeholders). As the aim of this article is not to differentiate between the core retention factors in South Africa and Australia, the core retention factors are grouped together and not discussed for each country individually. The core retention factors included:

- Friendly and supportive co-workers (Top factor for both groups)
- Effective teamwork (Second factor for South Africa)
- Supportive and effective management (Second factor for Australia)

Throughout the discussion of the findings, direct quotations from the participant narratives are used to support and illustrate their specific views and reflect the 'voice' of the employees. In the participant statements the concepts "unit" and "ward" refer to the specific department or work area within a hospital.

Friendly and supportive co-workers

In both groups of participants, friendly and supportive co-workers seem to be a very important factor that motivated them to remain working at the specific organization. As described by the statements from the participants their colleagues play a big role; they value that everybody is friendly, supportive, work well together and feel like family.

"My colleagues are a big factor as I enjoy the people I work with and have made some good friends."
"Everybody is friendly, care about all their personnel."
"People at ward level are motivating, friendly and supportive."
"Good interpersonal, supportive relationship with colleagues and management."
"Enjoy working with my colleagues. We work together well. They [colleagues] feel like family."

Effective teamwork

In most organizations employees are expected to work in interdisciplinary, multidisciplinary and inter-professional teams. In complex organizations, the level of an employee's participation can include different roles such as the leader or a team member. From the findings in this study it was seen that teamwork was of high importance (number 2 on the list) for the South African group. However, effective teamwork was seemingly not as important for the Australian group but still on the "top 10' list. Participants value aspects such as team members assisting each other and those members in the teams are regarded as equal partners. It seems to be important to be part of a team.

"Staff members work as a team assisting each other."
"It is a small organization where I could feel part of a team."
"Good standard of nursing. Good teamwork."
"Teamwork in the ward is fantastic."
"Good teamwork with all members seen as equal contributors."

Supportive and effective management

From the findings it seems participants not only value supportive and friendly co-workers but they wanted managers to be supportive, friendly, approachable, supportive and available. This was number two on the list for the Australian participants and lower down the list for the South African participants. Other aspects (related to supportive and effective management) that are valued included aspects such as an open door policy and a manager who makes the working conditions pleasant.

"Manager of the ward is understanding and pleasant. Makes working conditions pleasant and this encourages staff to remain committed long term."
"I am very happy and get a lot of support from my nursing service manager."
"Direct management is friendly, helpful and approachable."

"Open door of management for help on professional and personal level."

"They [management] take very good care of their staff. They [management] try to keep everybody happy."

In addition, it seems managers need to be effective, committed and operate as successful business people as reflected by the following statements:

"Manager is committed and effective. This encourages staff to remain committed long term."

"Successful business people running the establishment."

"Convenient, approachable and smooth running management."

In this last part of this article, strategies to improve the working conditions of employees (based on the mental model of the participants in the study) are provided within a CSR program or framework based in a solid CG foundation. The suggested strategies are a combination of ideas mentioned by the participants and selected applicable literature.

Strategies for implementation
Strategies to increase support among co-workers

Mutual support from and exchange between co-workers is more than twice as important as other sources such as money, equipment and physical environment to achieve a sense of balance, prevent or decrease work stress, create a positive environment and increase retention rates (Chapman,1993; Rothman, Steyn & Mostert, 2005; Spinks, 2004). Although board members, directors and managers are not able to directly increase the support among co-workers, they could indirectly do so.

Managers need to encourage a caring work environment to encourage support, assistance and advice between co-workers (Lingard & Francis, 2005). Activities that might indirectly increase the support among co-workers include sponsored social events such as barbeques, happy hours, dinners, gym memberships, weekend retreats. These are valued and create a way to connect with the co-workers and managers (Holtom, Mitchell & Lee, 2006). This was also evident from the participants in this study by statements such as:

- *"Hospital subsidised social events eg. Christmas party and anniversary parties."*
- *"Mainly the little things…provide throughout the year eg. Christmas Party, little gift each Christmas, fun reviews, day at Zoo for the family."*
- *"Socials like barbeques are great to increase the 'personal' feel and let us know and support each other at a more personal level."*

In addition, Smith (2007) recommends that managers:

- Provide a welcoming staff room where people can meet and relax for morning and afternoon coffee/tea and can share lunch time.

- Introduce a morning tea to celebrate birthdays and accomplishments.
- Have some fun together as a group (get ideas from the group).

Strategies to increase effective teamwork among employees

Effective teams impact on employee satisfaction, productivity and add to corporate value as employees in effective teams feel more knowledgeable through cross training, are more accountable, empowered and enthusiastic (Wisner & Feist, 2001). Managers must be able to build a team, create a feeling of belonging and team spirit (Saul 2007). Leaders 'encourage their teams to dance to forms of music yet to be heard.' (Bennis, 2006, p.4).

Managers must embed aspects such as mutual trust, respect, loyalty and equality and encourage and support members to understand, embrace and celebrate the different strengths, limitations, views and attitudes. Power play and misuse or abuse of power must be avoided (Campany, et al. 2007; Gilbert, et al. 2000; Meyer, Naudé & van Niekerk, 2004; Naudé, Meyer & van Niekerk, 1999). Build trust through effective language and create energy in the team; ask the correct questions; talk about things and listen effectively (Harkins, 2006). Employees (and team members) want to be treated with respect and equity (Yeung, 2006).

This was echoed through statements from participants in this study:

"Equity among team members is promoted."
"I am treated as an equal."
"I am respected within the team"
"Have respect from colleagues and doctors"
"Good standards of nursing. Good teamwork"

High performance teams keep sight of their vision and goals. Goethe stated: 'Once you have missed the first buttonhole, you'll never manage to button up.' (Naudé, et al, 1999, p.284).This means that the manager must define a clear vision, goals, involve passionate champions, and provide a clear direction and blueprints for action to achieve the goals (Harkins 2006; Campany et al. 2007). Effective leaders 'keep their eyes on the horizon, and not just on the bottom line.' (Bennis 2006, p. 4). Boundaries, desired outcomes, norms, policies, values and restrictions must be negotiated within the team to limit misunderstandings and empower the team to make meaningful decisions. Frustrations, miscommunications and conflict must be resolved as soon as possible (Macdonald 2004; Naudé, et al, 1999). Team leaders need to "walk the talk" and demonstrate desirable behaviours (Wisner & Feist 2001, p. 61).

It is important that all members in the team feel comfortable with the values and ethics in the team (Meyer, et al, 2004; Naudé, et al, 1999; Wisner & Feist, 2001). A high level of personal integrity, honesty and adherence to ethical codes creates mutual

trust (Snow & Mulrooney, 2004). Participants in this study highlighted the importance of acceptable ethical behaviour and values in the team through statements such as:

"The ethics and values practiced by everyone."
"Overall I feel that we have very high ethics."
"I am able to uphold the values and provide the care to patients and staff that I want to give." "Because I trained in a hospital similar in Catholic values."
"I liked the Christian based ethos that they offered."

Effective managers are able to motivate the team to really work together, understand the team, develop relationships and camaraderie. They are available to provide feedback, coaching, implement effective conflict management strategies (Campany, et al, 2007; Harkins 2006; Ingram & Desombre, 1999; Naudé, et al, 1999). Managers should encourage and support reflection, learning and a high level of emotional intelligence as these aspects separate effective teams from less effective teams (Campany, et al, 2007). The manager must implement a system to review performance of and within the team and team members must be trained in strategies to improve the effectiveness and learn from the skills, strategies and experiences of effective teams (Snow & Mulrooney, 2004; Strozniak, 2000). Acknowledgement should be timely, in public and fit the accomplishment (Wisner & Feist, 2001). In a team it is a good idea to have some fun but never at the expense of any person (Harkins, 2006). The manager needs to create an environment where employees are able to be creative, productive, have some fun and share humour (Brandel, 1999).

Effective managers make others feel important and appreciated (Harkins, 2006). There is a greater chance that nurses would remain working at a hospital if they feel they are respected, valued and appreciated. One strategy is to have a range of rewards that the employee can choose from as not everybody appreciates and likes the same rewards.This allows for some individualization and choice (Campany, et al, 2007; Smith, 2007; Sterret, 1998; Upenieks, 2003). Compensation is important but employees need to hear that they are appreciated (Macdonald, 2004; Saul, 2007). Employees need to be told that they matter and 'Then show them with actions that match the words.' (Saul, 2007, p. 94). Leaders 'make people feel that they are at the heart of things.' (Bennis, 2006).
Participants in this study stated:

"Appreciation and acknowledgement of the service rendered is important."

Strategies to increase supportive and effective management

Supportiveness is a common trait of effective leaders and "resulted in a decrease in followers' burnout, turnover, or intent to quit." (Howell & Costley, 2006, p. 383). Burnout is usually not related to a single cause but is the result of the complex interaction of individual and organizational factors meaning that a single intervention is not the answer. Support strategies include active listening, effective two-way communication, respect, being sympathetic, friendly and considerate, helping followers to develop their careers and develop abilities, caring about the needs of the employee, rewards, works hours, fairness, job clarity and providing assistance to complete the job, mentoring programs, flexible work arrangements, health programs and health facilities (Howell & Costley, 2006; Kickul & Posig, 2001; Lingard ,2003; Upenieks, 2003). Strategies from Maslach in an interview by Nelson (Nelson, 2005) may include:

- Ensure manageable workloads and provide the needed resources to enable the employee to do the job.
- Allow the employee to have some control and autonomy over the job and the needed resources as employees want some choice regarding how they go about the job.
- Foster positive relationships with mutual trust and support within an environment where employees feel that they are treated fairly to create a shared sense of community.
- Provide feedback regarding the work done (positive and negative) to provide a sense of job progress. Ensure recognition of the effort of the employee as lack of recognition devalues the work and the employee.

Employees demand a competitive pay package, a positive environment that is friendly, with less control, where they can participate in the decision making, be motivated, and can be part of an effective team. The manager needs to look at sustainable ways to build relationships that will strengthen bonds between the different people in the organization, ensure profitability and engage positively with the needs of the employees (Lehman, 2007; Smith, 2007). In an organization it is 'about encouraging and enabling employees to reach new heights, as well as making them feel valued so they continue to add value to your organization.' (Macdonald, 2004, p. 13). Effective staffing, job matching, career management and performance management is needed (Fillisko, 2006; Meyer, et al, 2004; Naudé, et al, 1999). Retaining long tenured employees is crucial and a challenge. 'If you give long-tenured employees new challenges, flexibility and opportunities, they can be your greatest assets for many years to come' (Tyler, 2007 p. 60).

The manager should encourage and support services which may include crèches, child care centers, health and fitness centers, massages, relaxation programs and facilities, laundry pick up services. (Brandel, 1999; Meyer, et al, 2004; Naudé, et al, 1999; Spinks 2004). An effective strategy is to provide different options (up to a specified dollar value) for employees to choose from (Sterret, 1998). This was supported by participants in this study as evident from the following:

"Childcare facilities and subsidy."

"Child goes to hospital crèche, which is economical and has extended hours to accommodate my 12-hour shifts."

In a group of applicants to the Union Bank of California, 27% stated that the day-care centre was a great attraction. It was found that the turnover rate was 2.2% compared to the 9.5% of employees who do not use the facilities (Mitchell et al. 2001).

Leaders who are able and willing to work with the group gain a lot of respect. A well known Chinese proverb states: 'Not the cry but the flight of the wild duck, leads the flock to fly and follow.' (Naudé, et al, 1999 p.180). Curran (2003) adds that managers (within a hospital setting) must be visible, even on evenings and weekends. Participants in this study supported this idea:

"The manager working along staff promotes staff appreciation so staff doesn't feel isolated from the management."
"Manager of the ward is understanding and pleasant and works with us"

Communication is crucial and even the best ideas don't succeed without effective communication. Within an organization communication includes verbal and non-verbal communication, listening and reading skills and managers must use different forms of communication effectively (Naudé, 1995). Employees must take responsibility for a problem and ownership of a solution. There should be regular communication and feedback between the manager and employees and the encouragement to speak freely about what they enjoy and what corrections need to be made (Cleveland, 2005; Gilbert et al, 2000; Hanson, 2005; Ingram & Desombre, 1999; Malensek, 2008: Naude, 1995; Yeung, 2006). The aspect of effective communication was highlighted by participants in this study:

"Knowing what is happening in your environment when and where and how."

Through communication and paying attention to the feedback received from the employees, managers are able to explore the mental model regarding a specific topic.

Staff development and career planning plays a big role in employee support. Effective career planning, opportunities for career development, tuition reimbursement (to a limit), performance management based on positive approaches, giving employees the ownership to do what they need to do are needed (Fillisko, 2006; Holtom et al, 2006; Meyer, et al, 2004; Naudé, Meyer & van Niekerk, 1999; Yeung, 2006). Managers need to provide access to training opportunities and conferences (if applicable) and must encourage and support employees to attend. Empowerment of employees, especially during times of change is crucial (Sterret, 1998; Naudé, 2004; Tyler, 2007). Canadian aerospace company, Nordavionics, found that the employees indicated that they need challenging work and professional growth. In Nordavionics, managers assist the employees to reach their long term career goals (Holtom et al, 2006). In

addition Malensek (2008) stated that career growth must be a priority and suggested a mentor to assist employees to develop their careers and to provide formal and informal coaching. Participants in this study stated:

"Very good support in terms of staff development"
"Learning opportunities and development."
"Every month there is on duty training on a subject."
"Provide me with learning opportunities to develop personally and professionally."

It is important to ensure favourable working conditions such as adequate supplies and equipment to provide the level of service that is expected, as inadequate equipment and a non-satisfactory working environment drain employees (Upenieks, 2003). Participants in this study also voiced the need for adequate equipment and supplies:

"Equipment and medicine easily accessible and is used cost effectively."
"Modern equipment and supplies adequate."
"Up to date equipment."

'Investments in practices that enhance employees' quality of work life promises paybacks such as employee satisfaction, more commitment, and less turnover.' (Wisner & Feist, 2001 p. 64).

The 2002 *People at Work Survey* done by the New York based Mercer Human Resource Consulting indicated that 83% of the 18-24 year old employees surveyed valued flexible work arrangements compared to 73% who stated salary as important. Important factors include the ability to work from home, change work hours and have flexibility. Sometimes new technology, for example, video conferencing may provide flexibility for employees to work from home (Tyler, 2007). Flexitime, job sharing and telecommuting are attractive options (Spinks 2004; Sterret, 1998). Participants in this study supported flexible working arrangements and working hours as important factors:

"Flexibility with regards to leave, shifts, workplace."
"The working hours suit my household."
"In my current position I have flexibility to work the hours to suit my personal circumstances."
"The manager has been fair and flexible."

Malensek (2008) is of the opinion that credit must be given where credit is due and that employee strengths and accomplishments must be acknowledged.

Conclusion

From the mental model of the employees who participated in this study, friendly and supportive co-workers, teamwork, and supportive and effective management were the core retention factors. The core retention factors harmonized with literature on retention rates of employees. There is a danger that board members, directors and managers operate from their own mental models only, assume what the core retention factors are, and implement strategies to enhance retention based on these assumptions. Therefore, an awareness and clear understanding that

different mental models exist and influence the effectiveness of strategies is crucial. In addition to just awareness it is important for managers to explore the mental models of employees regarding a variety of important aspects (eg retention and working conditions) and base strategies on the received feedback.

Developing and implementing retention strategies is sensible as effective, satisfied long term employees (as internal stakeholders) play a crucial role in the competitive advantage of the company and add value for the shareholders (as external stakeholders). Within the context of CSR, board members, directors and managers have a responsibility to understand and pay attention to the needs of the employees (as internal stakeholders) to ensure value for the shareholders (which form the basis for good GC), as well as other external stakeholders such as the broader community.

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