

USING STAFF RETENTION STRATEGIES TO SECURE A HAPPIER AND MORE PRODUCTIVE WORKFORCE

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Abstract

This study assesses managerial perceptions of various aspects of staff retention (its focus, retention strategies and organizational practices that enhance retention, staff retention strategies and employee turnover and performance respectively) in a target, private sector organization. Biographical influences were also evaluated. A sample of 42 managers was drawn using disproportionate stratified random sampling. Data was collected using a self developed, precoded questionnaire whose reliability was assessed using Cronbach's Coefficient Alpha. Data was analyzed using descriptive and inferential statistics. The results indicate that the target organization places on a moderate degree of emphasis on staff retention strategies, which are only focussed on retaining best performers and predominantly uses opportunities for promotion and performance bonuses followed by career growth, learning and development as strategies for staff retention. The main organization practice that may encourage retention is employees having clarity of what is expected of them. An inverse relationship between staff retention strategies and employee turnover and, a direct relationship between retention strategies and performance was noted. Specific biographical influences were also noted. Recommendations to enhance staff retention are presented.

Keywords: Staff Retention Strategies, Opportunities for Promotion, Performance Bonuses, Fair and Competitive Pay, Employee Turnover

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The current era of modern technology and the continuously competitive business environment leaves business leaders facing the challenge of corporate customers and individual consumers have a variety of providers to choose from than ever before. These changes have resulted in businesses becoming more dependent on their top performers to innovate and provide services that differentiate an organization from its competitors (Hausknecht, Rodda & Howard, 2008). Hassan, Hassan, Khan and Naseem (2011) stated that these changes do not only affect organizations but also have a major impact on the employees of these organizations and as a result, the need for employee retention arises and has become a major concern for organizations today. The loss of talented employees is detrimental to the success of the organization. Andrew Carnegie (cited in Gupta & Srivastava, 2007), a famous Industrialist of the 19th century, once stated: "Take away my factories, my plants, take away my railroads, my ships, my transportation, take away my money, strip me off all these but leave me my key people and in two or three years, I will have them all again". This emphasizes that employee retention should be a top priority for every organization because while good people are hard to find, great people are much harder to replace.

Recently, researchers have observed that the top performing organizations are on the top because they know how to keep their employees from crossing the street and taking the best offer available outside the organization. Hence, the secret of successful organizations lies in the philosophy of valuing and investing in their key employees (Annand, 1997), who possess unique competencies and characteristics. They require appreciation as much as they require a pay cheque because without them an organization cannot do business or generate revenue. Therefore, it is necessary that the different staff retention strategies are employed in order to minimise the loss of key and valuable employees in the organization. Employee retention refers to the techniques employed by the management to help the employees remain in the organization for a longer period of time. The retention of employees has been shown to play an integral role in the accomplishment of the organization's goals and objectives and can be an important source of competitive advantage for any organization (Alkandri & Hammad, 2009; Drake International NA, 2008; Irshad, 2011). This research attempts to study the main factors that contribute to employee retention in the private sector and to assess staff retention

strategies adopted in a target, private sector organization.

What is employee retention?

According to Hassan *et al.* (2011), employee retention refers to “keeping the right people in the right jobs for every organization. It has much to do with our culture and how we treat people”. However, Sandhya & Kumar (2011) state that employee retention is a process in which the employees are encouraged to remain in the organization for the maximum period of time or until the completion of a project. Zineldin (2000) defines retention as an obligation to continue to do business or exchange with a particular company on an ongoing basis whilst Gbervbie (2010) defines retention as various policies and practices which are utilised to help employees stick to an organization for a longer period of time.

Why employees leave and the consequences of employee turnover

Retaining top talent was less of an issue in the past and it was not deemed as crucial to the success of the organization. The high rate of unemployment also guaranteed that most employees, in the absence of a variety of employment opportunities, will take whatever the organization offers thereby resulting in managers neglecting retention because most employees would want to keep their jobs.

Talented employees may leave an organization for various reasons which include being dissatisfied with the organization, feeling that they are underpaid and feeling demotivated, lack of challenge, lack of training and development or growth, lack of recognition and appreciation (Sandhya & Kumar, 2011), loss of faith in management, overall low job satisfaction (Gupta & Srivastava, 2007), continuously increasing workloads, lack of incentives, unmet needs (Sandhya & Kumar, 2011), job insecurity (Drake International NA, 2008), lack of regular feedback, lack of an organizational culture that will empower employees, poor communication, lack of a good rewards system or the existence of inconsistently implemented compensation strategies (Gupta & Srivastava, 2007; Sandhya & Kumar, 2011), lack of person-job fit and a lack of support and co-ordination among employees, seniors and management (Premji, 2007; Sandhya & Kumar, 2011).

A critical analysis of workforce trends points to an impending shortage of highly skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organizations failing to retain high performers will lose valuable knowledge, human capital, skills, and experience (Gayathri, Sivaraman & Kamalambal, 2012) and be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Hausknecht *et al.*, 2008). The lack of employee

retention, therefore, results in tremendous organizational costs. According to Irshad (2011), research has found that the cost of replacing old employees with new ones is estimated up to twice the employee annual salary. The American Management Association has estimated that the tangible costs alone of losing a staff member are between 12 months to 18 months of that person's remuneration (Workplace Strategies, 2012). Other costs of employee turnover include recruitment costs which arise from advertising the vacant post, the time an organization spends sourcing and interviewing, the costs of training which include the orientation materials and trainers' time, lost productivity costs because a new employee operates between 25%-50% of productivity levels for the first 3 months and loss of sales (Drake International NA, 2008). Premji (2007) extends the loss of a productive employee to the organization in terms of the cost of not having someone to do the job in the meantime, the loss of clients and contacts the person had with the industry, the loss of trade secrets this person may now share with others and the loss of the company's reputation. Employee turnover does not only have direct financial costs of replacing workers but it also results in key skills being lost, loss of experience and knowledge possessed by employees who leave the organization and disruption of normal organizational operations and, has negative effects on the morale of the overall workforce (Drake International NA, 2008; Premji, 2007). Premji (2007) further states that every person who leaves a corporation then becomes its ambassador, for better or for worse. Drake International NA (2008) adds a further cost that is unique to South Africa, namely, the employment equity ramifications of losing employees from previously disadvantaged groups. The costs of losing talented, black employees are over and above the tangible and intangible costs suffered by organizations (Workplace Strategies, 2012).

The organization's reputation is also placed at risk as no one feels confident to deal with an organization that cannot value and retain its employees. When an employee leaves his or her job, the organization does not only lose the employee but also loses the customers and clients who were loyal to that employee (Irshad, 2011). When employees decide to leave an organization, they take with them the valuable information that they possess about the organization, the customers and the current projects to the new employer. When an employee leaves the organization, the relationships that have been built by the employee for the organization suffer (Sandhya & Kumar, 2011). Evidently, high turnover strongly impacts on business goals. Therefore, reducing employee turnover is a strategic and vital issue, beneficial to an organization's bottom line (Drake International NA, 2008; James, 2009), thereby necessitating the implementation of staff retention strategies.

Staff retention strategies

Guild (2012) recognised that it is the need of the hour that human resource managers should identify the needs of the employee and then design retention strategies to satisfy the needs that are identified. Gberville (2010) states that employee retention strategies refers to the mean, plan or set of decision-making behaviour put in place by organizations to retain their competent workforce for performance. These strategies include fair pay (Irshad, 2011; Max, 2006), opportunities for promotion, flexibility in work schedules, compensatory time off after demanding projects (Koenig and Associates Inc., 2012), career growth (Irshad, 2011), learning and development, great work environment and organizational culture (Irshad, 2011), management support (Irshad, 2011), job security, share options, performance bonus, restraint of trade and exciting work and challenges. The Wall Street Journal (2012) highlighted a few retention strategies which may be utilised by managers and they include offering competitive benefits package, including health and life insurance and a retirement plan, providing employees with financial incentives such as raises, bonuses and stock options, considering hiring a human-resources manager if the company is nearing 100 employees and making sure that employees know what is expected of them and how they can grow within the company. Developing effective employee relationship strategies may be effective in staff retention and may be achieved through employee relationship training. Also, managers may ask their employees what they can do to make things better in the organization. Managers may use the behavioural style assessment tools, such as Myers-Briggs to help employees better understand themselves and each other and communicate more effectively. Employee support strategies which involve giving employees the tools and equipment to get the job done may also be utilised. This can have a positive advantage on the organization because when people feel they have what they need to perform, job satisfaction increases dramatically. Employee compensation strategies such as pay-for-performance plans which involve defining the job and checking performance against expectations, using flexible employee benefits to respond to a changing workforce, offering stock options, offering time off, sabbaticals and other forms of non-financial employee compensation, providing childcare and/or eldercare, providing employee assistance programmes and arranging for professional services may be utilised by managers (Irwin, 2011).

The aforementioned staff retention strategies have been succinctly summarized into five categories, namely, environmental, relationship, support, growth and lastly, compensation (Koenig & Associates Inc., 2012). The environmental category involves an employer creating a workplace that attracts, retains and nourishes top performing employees. The

relationship category deals with how an employer treats employees in the workplace and how co-workers treat each other. The support category involves an employer giving employees the necessary tools, equipment and the information that they require to do their jobs well or successfully. The growth category focuses on an employee's personal and professional growth within the organization, and lastly, the compensation category focuses beyond base pay and salary (Koenig & Associates Inc., 2012). Whilst it is evident that various retention strategies exist, this study evaluates the following specific ones:

- *Fair pay and performance bonuses*

Pay is an important factor in employee retention; a low pay package may result in employees leaving the organization. However, it is important for a manager to note that a high pay package may not necessarily attract and retain employees in an organization as employees consider other factors such as work environment, supervisor support, training and development opportunities when deciding whether to remain in the organization for a longer period of time or look for work elsewhere (Irshad, 2011). According to Irshad (2011), "Organizations often offer high pay packages for example stock options, special pay, retention pay, gain share pay, performance base pay and bonus etc. for retention of talented employees of the market". Many employers react to the fear of losing their best employees by simply increasing bonuses or salaries (James, 2009; Koenig and Associates Inc., 2012). There are many types of incentive pay programs that a manager may provide which include standard-hour plan, bonuses, merit pay, incentive awards, stock options, profit-sharing and employee stock ownership plans (ESOPs). Incentive plans focus employee efforts on specific performance targets and result in increased employee motivation, increased employee retention and organizational gains (Snell & Bohlander, 2007).

- *Opportunities for promotion and career growth, learning and development*

According to Kaye & Jordan-Evans (2003), "Career growth, training and development opportunities are one of the top reasons that impact on whether employees remain in the organization or decide to leave". James (2009) further states that lack of career development is a key motivator for starting to search for a new role as an employee. It is important that managers provide career growth, training and development opportunities that match the employee's abilities and aspirations; this encourages employees to improve their work, their skills as well as to continuously keep up with the developments that may arise in their field of interest (Kaye & Jordan-Evans, 2003). Fatima (2011) asserted that the opinion about prospects of development opportunities within the organization motivates employees to perform above expectations and to remain in the organization to reveal their skills and abilities. Koenig and Associates Inc. (2012) state that training is extremely important

for Generation X and Y employees who desire cutting edge skills. When employees believe that they have acquired the skills that they possess through the training programs that exist in that particular organization, they will have a strong desire to remain in that particular organization for a long period of time and will want to contribute to areas outside their specific job description. Previous studies have revealed that one of the factors that drive an employee's intention to leave the organization is the level of commitment to the organization. Therefore, there is a direct linkage between commitment and opportunities for career development (Koenig & Associates Inc., 2012). Employees want an organization that creates promotion opportunities within the organization and provides training and skills development opportunities to enhance and cultivate their competencies (Irshad, 2011).

Managers should hold regular monthly or quarterly performance reviews and ensure that they constantly communicate with employees in order to gather what the individual is striving for in the organization and to find out what they can provide to further develop the employee. This can help the employer and the employee to work together in partnership to set career goals. These reviews may also be beneficial to the organization as it can reduce the impact of outside temptations (job advertisements and headhunters) as well as increase the productivity of the organization (James, 2009). Managers should also design and implement training strategies which include formal training, on-the-job development and coaching. They can also develop formal succession plans with development plans for employees with potential. Managers should focus on the high-performers in the organization and be able to separate high-performers from mediocre performers. Managers can develop and coach mediocre performers to improve their performance and this will result in increased morale for these employees. Managers need to ensure that they do not instil the fear of making mistakes in their employees and realize that mistakes provide great learning experiences and has the potential to open doors to innovation and ideas for improvement (Koenig & Associates Inc., 2012). Employees should also be encouraged to network, join professional associations and regularly read publications related to their lines of work; this will help them learn and grow in the organization (Kaye & Jordan-Evans, 2003). Lastly, managers need to realize that the best employees or the top-performers are career-oriented and in order for an organization to retain these employees within their organization, they need to experience growth opportunities in the organization (Heathfield, 2012).

- *Work environment and organizational culture*

Employees appreciate a work environment that respects its employees and provides suitable rewards. Rewards refer to the amount of pay, benefits or

equivalents an employee receives in return for services rendered or an employees' contribution to the organization to motivate them to continue to perform well and engage in positive behaviour in the future. A reward can be intrinsic or extrinsic. It can be in the form of cash or recognition or certificate such as commendation certificate or worker of the month, receiving awards or free trips (Irshad, 2011). Intangible or intrinsic rewards often generate a greater sense of belonging to an organization, thereby increasing retention rates. Intangible rewards come from regular verbal praise, encouragement, team bonding session and regular communication with senior management (James, 2009). Intrinsic rewards come from within the person or from the activity itself and are described as a feeling of accomplishment or self-fulfilment after achieving a challenging task (Osborn, Hunt & Schermerhorn, 2008). They positively affect behaviour, performance, and well-being and are self-rewarded (Ryan & Deci, 2000). Extrinsic rewards are usually financial and refer to the tangible rewards given to employees by managers, such as pay raises, bonuses, and benefits. Material possessions, prestige, and positive evaluations from others also form part of extrinsic rewards. Organizations may provide rewards such as paid vacations, insurance plans, promotion and paid holidays for employees; these rewards may have a positive impact on employee retention in the organization provided that they are meaningful to the employee (Byars & Rue, 2008; Thomas, 2009). A study conducted by the research firm Zogby International revealed that 58% of employees responded that they would prefer a job with excellent benefits over one with a higher salary. Therefore, employers should also evaluate whether the benefits they offer are as attractive as those that competitors provide in order to retain their employees (Max, 2006).

A work environment that recognizes, values and appreciates its employees also manages to retain employees. In a survey conducted by Globoforce Workforce Mood Tracker (2011) on the current United States job market, it was found that 39% of workers do not feel appreciated at work and as a result are looking to leave their organization for other organizations that they feel could recognise their efforts. Managers should not take comfort in the fact that only disengaged employees are looking to leave because research at Accenture revealed that 43 percent of highly engaged workers have weak or lukewarm intentions to stay with their organizations (Globoforce Workforce Mood Tracker, 2011).

Furthermore, an organization's ability to develop a positive and challenging work environment plays a pivotal role in employee retention (Irshad, 2011). Job applicants place this attribute at the top of their lists when evaluating organizations (Max, 2006). Employees appreciate a work environment that gives them a sense of belonging. A number of studies have

determined that employees with positive experiences related to job hours, sense of job fulfilment and high levels of job satisfaction have a lower desire to leave their current organization (Fatima, 2011). It is also important that the work environment is less stressful and has reduced apprehension including poor lighting, noise levels and workplace layout (Irshad, 2011). Research conducted found that the one thing that the list of the Fortune 100 'best companies to work for' have in common is trust. The managers in these organizations trust their employees and employees also trust the organization, have pride in what they do, enjoy the work environment and maintain good relationships with their co-workers (Gaspary, 2010). Employees who feel trusted and trust their organizations in return tend to remain in the organization for a longer period of time. Furthermore, these 'best companies to work for' have work environments that motivate employees, empower employees, develop employees, cares for employees, celebrates their employees' successes and encourage a culture of sharing (Gaspary, 2010).

Exciting, challenging and meaningful work that makes a difference in an organization is another important factor for employee retention because employees spend a great deal of their lives working (Kaye & Jordan-Evans, 2003; Koenig & Associates Inc., 2012). Work should be designed to make it more stimulating and corporate goals and vision must be clearly communicated so that employees have a clear understanding of the direction of the organization and how the success of the organization will impact on them (Koenig & Associates Inc., 2012). Delegating work to employees and allowing them autonomy and a sense of control over their work will also motivate employees and provide challenge.

- *Supportive management*

The kind of support an employee receives from management and leadership style is critical to employee retention because employees leave managers and supervisors more often than they leave organizations (Fatima, 2011; Heathfield, 2012). If managers support open communication and have a good relationship with employees, employees are less likely to have an intention of leaving the organization and they become more engaged in the organization (Irshad, 2011; Ontario, 2004). Highly skilled and talented employees may easily find good employment elsewhere. Therefore, in order for organizations to enhance and retain these talented employees, they need to have a friendly working environment, promote leader support, provide opportunities for employees to test their abilities, provide clarity about what the employee is expected to do, provide clarity about earning potential, provide feedback about performance, hold scheduled meetings and provide a framework within which the employee can perceive that he/she can succeed (Heathfield, 2012; Irshad, 2011).

Supportive managers ensure that they are not only concerned about their employees' work-life in the organization but also about their family concerns and physical and mental health and that they strive to reduce overload and stress on the job as much as possible (Kaye & Jordan-Evans, 2003). James (2009) states that a manager getting to know and understand the employee outside the office will create a collaborative and supportive work culture. Supportive managers also respect employees and honour individual differences, interests and values, and also follow-up on conversations, suggestions and problems (Kaye & Jordan-Evans, 2003). Supportive managers also encourage employees at all levels to develop and experiment with new ideas. They actively seek their employee's involvement in solving problems facing the organization. These managers give employees and opportunity to share strategies that they feel would lead to better and effective results to the problem at hand (James, 2009).

Aims of the study

This study aims to assess managerial perceptions of various aspects of staff retention (its focus, retention strategies and organizational practices that enhance retention, staff retention strategies and employee turnover and performance respectively) in a target, private sector organization.

RESEARCH DESIGN

Research approach

An e-mail, self-administered survey method was adopted and both qualitative and quantitative data was collected and analyzed to fulfil the aims of the study.

Respondents

In this study, a probability sampling technique called stratified random sampling was used to extract the sample from three levels of management (lower, middle and top) from a private sector organization comprising of 45 managers. A disproportionate sample of 42 managers was drawn from the three levels of management in order to assess managerial perceptions of staff retention strategies in the organization. According to the population-to-sample size table by Sekaran and Bougie (2010), the corresponding minimum sample size for a population of 45 is 40, thereby confirming the adequacy of the sample size of 42 for this study. The composition of the sample may be described in terms of managerial level, age, gender, tenure and educational qualifications. In terms of the composition, 14% of the sample consisted of top managers, 48% were middle managers and 38% were from lower management. Whilst 60% of the sample were between 25 to 40 years, 40% were 40 years and

above. Males made up 67% of the sample and 33% were females, thereby displaying a male dominated management cadre. In addition, 50% of the sample served the organization for 3 to 5 years, followed by 2 years and less (26%), 6 to 10 years (17%) and finally, those with a tenure of >10 years (7%). The majority of the sample has a post-graduate qualification (37%), followed by an equal segment having a Degree (29%) and a Diploma (29%) and then those with matriculation (5%).

Measuring Instrument

Data was collected using a self-developed questionnaire comprising of both open and closed-ended questions. The questionnaire was designed based on recurring themes and patterns that surfaced while conducting the literature review. The questionnaire consists of two sections, namely, Section A and Section B. Section A related to biographical information (managerial level, age, gender, tenure, educational qualifications) and used a nominal scale and Section B comprised of twenty-six questions of which six were open-ended and the remaining were closed-ended. The latter utilized the Likert rating scale which ranged from strongly disagree (1), disagree (2), neither disagree nor agree (3), agree (4) to strongly agree (5) and tapped into managerial perceptions of various aspects of staff retention. Staff retention strategies that were explored relate to fair pay, opportunities for promotion, career growth, learning and development, work environment and organizational culture, management support and performance bonus. Organizational practices that have the potential to enhance retention were also evaluated using the Likert scale. The funnel approach was used to construct the questionnaire to ensure that the items progressed from being general and easy to more specific and thought provoking. Pilot testing was also carried out using 5 subjects, selected using the same procedures and protocols adopted for the larger sample. The feedback from the pilot testing confirmed that the questionnaire was appropriate in terms of relevance and construction.

Statistical measures of the questionnaire

Face validity of the questionnaire was assured by including only items that related directly to the aspects of staff retention (its focus, retention strategies and organizational practices that enhance retention, staff retention strategies and employee turnover and performance respectively) being assessed. The reliability of the closed-ended items in Section B of the questionnaire relating to the aspects of staff retention strategies was determined using Cronbach's Coefficient Alpha (Alpha = 0.725). This

alpha coefficient indicates a high level of internal consistency of the items and hence, a high degree of reliability.

Administration of the measuring instrument

After ethical clearance was granted, the questionnaires were administered via electronic mail (E-mail) and completed questionnaires which were put into sealed envelopes were personally collected.

Statistical analysis

Descriptive (means, standard deviations) and inferential (chi-square correlation, ANOVA) statistics were used to analyze the quantitative data. The data was captured using Excel (Version 5), processed with Simstat and presented using tabular and representations.

RESULTS

The study analyzed managerial focus on staff retention strategies, perceptions of retentions strategies utilized and their effectiveness, organizational practices that enhance retention, the relationship between staff retention strategies and employee turnover and performance respectively.

Focus on staff retention strategies

Managerial perceptions of the focus on staff retention strategies in the organization were analyzed using descriptive statistics. Whilst all managers at all levels believed that given the opportunity they would attach importance to, and implement, staff retention strategies, the majority of the managers (71.4%) stated that their company places a moderate degree of emphasis on staff retentions strategies, followed by those who believed that the organization does so to a very high extent (11.9%). However, all managers (100%) believed that such strategies in the organization focused on retaining best performers. Regarding the lowest performers, the majority of the managers believed that these performers were not replaced (71.4%) and a further 2.4% felt that other alternatives (such as deployment) were used whilst 26.4% were convinced that they were replaced.

Staff retention strategies utilized and, their effectiveness

Managers indicated the kind of staff retention strategies adopted and the extent to which they were utilized in the target organization (Table 1).

Table 1. Staff retention strategies adopted

Retention strategy	Frequency	Percentage
Fair pay	8	19.0
Opportunities for promotion	11	26.2
Career growth, learning and development	10	23.8
Great work environment and organizational culture	1	2.4
Management support	1	2.4
Performance bonus	11	26.2
Total	42	100

Table 1 indicates that an equal percentage of managers identified opportunities for promotion (26.2%) and performance bonus (26.2%) as staff retention strategies which are mostly used at the target organization. Also, 23.8% identified career growth, learning and development, followed by fair pay (19%) and lastly, a great work environment and organizational culture (2.4%) and management

support (2.4%) as the most utilized strategy. Furthermore, 59.5% of the managers agreed that staff retention strategies that are adopted are effective whilst the remaining managers (40.5%) were not convinced in this regard.

Managerial perceptions of other organizational practices that have the potential to encourage staff retention were also evaluated (Table 2).

Table 2. Organizational practices that encourage staff retention

Organizational practices	% of uncertain responses	Mean
In this organization, there is a specific framework set for employees to know what is expected of them.	31	3.856
In this organization, employees received good quality supervision.	48	3.304
This organization provides an environment where people are able to solicit ideas easily.	57	3.196
This organization provides an environment where people are able to express themselves freely.	40	3.089
In this organization, employees are provided with constructive feedback.	43	3.196
Employees are given an opportunity to contribute to work areas outside their specific job description.	40	3.000
The talents and skills that exist in the organization are effectively utilized.	40	3.268
Generally, employees in this organization, are satisfied with the remuneration they receive for their effort.	57	3.286

The mean scores in Table 2 indicate above average responses to the items relating to organizational practices having the potential to encourage staff retention in the organization with means ranging from 3 to 3.856. However, against a maximum attainable score of 5, it indicates that there is tremendous room for improvement in each of the practices. Furthermore, of concern is that for each of these items, a significant percentage of managers (ranging from 31% to 57%) responded that they were uncertain of the prevalence and effectiveness of these organizational practices. The implication is that the managers themselves are not convinced of the prevalence or effectiveness of these organizational practices although, these practices, if well communicated and emphasized, have the potential to pose as effective staff retention strategies.

The relationship between staff retention strategies and employee turnover and performance respectively

Descriptive statistics were also undertaken to evaluate the perceived relationship between staff retention strategies and employee turnover and performance respectively. It was found that managers at all levels believed that there is an inverse relationship between staff retention strategies employed in the organization and employee turnover (Mean = 3.875) and that staff retention strategies have a strong, positive influence on employee performance (Mean = 3.821). However, a significant segment of managers (45%) were not convinced that the aforementioned relationships prevailed in the organization concerned.

Inferential statistics were also conducted with regard to staff retention strategies and employee turnover and it was hypothesized that:

Hypothesis 1: There is a significant relationship between managers' perceptions of the extent to which

they believe their organization places emphasis on staff retention strategies and their perceived effectiveness of these strategies in retaining staff and reducing employee turnover (Table 3).

Table 3. Chi-square statistic: Perceived emphasis and effectiveness of staff retention strategies

Statistic	Value	Df	p
Pearson chi-square	30.467	12	0.002*

* $p < 0.01$

Table 3 reflects that there is a significant relationship between managers' perceptions of the extent to which they believe their organization places emphasis on staff retention strategies and their perceived effectiveness of these strategies in retaining staff and reducing employee turnover at the 1% level of significance. Hence, hypothesis 1 may be accepted.

Influence of biographical variables on managerial perceptions of staff retention strategies

Inferential statistics were conducted to assess the influence of biographical variables on managerial perceptions of staff retention strategies and hypotheses were generated in this regard.

Hypothesis 2: There is a significant relationship between managers' perceptions of the effectiveness of staff retention strategies employed in the organization and their biographical profiles (managerial level, age, gender, tenure, educational qualifications) respectively (Table 4).

Table 4. Pearson Chi-square statistic – Managers' perceptions of the effectiveness of staff retention strategies employed in the organization and their biographical profiles

Biographical Profile	Chi-square statistic	Df	p
Managerial level	11.270	6	0.080
Age	13.760	9	0.131
Gender	5.370	3	0.147
Tenure	26.029	9	0.002*
Educational qualification	13.760	9	0.131

* $p < 0.01$

Table 4 indicates that there is a significant relationship between managers' perceptions of the effectiveness of staff retention strategies employed in the organization and their tenure in the organization, at the 1% level of significance. No other biographical correlates were noted in this regard. Hence, hypothesis 2 may only be accepted in terms of tenure.

Hypothesis 3: There is a significant difference in the perceptions of managers varying in biographical profiles (managerial level, age, gender, tenure, educational qualifications) regarding organizational practices that have the potential to enhance staff retention and reduce employee turnover (Table 5).

Table 5. Analysis of Variance – Organizational practices as staff retention strategies

Item relating to organizational practices having the potential to enhance staff retention	Managerial level		Age		Gender		Tenure		Education Qualification	
	F	p	F	p	F	p	F	p	F	p
In this organization, there is a specific framework set for employees to know what is expected of them.	1.405	0.257	0.204	0.654	0.666	0.419	3.628	0.021**	0.044	0.987
In this organization, employees received good quality supervision.	0.339	0.714	0.184	0.671	0.221	0.640	3.001	0.042**	0.751	0.529
This organization provides an environment where people are able to solicit ideas easily.	5.734	0.007*	2.481	0.123	3.179	0.082	1.753	0.173	2.123	0.113
This organization provides an environment where people are able to express themselves freely.	1.956	0.155	0.124	0.726	11.845	0.001*	0.548	0.652	0.926	0.438
In this organization, employees are provided with constructive feedback.	3.332	0.046**	1.088	0.303	4.522	0.040**	0.546	0.654	2.454	0.078
Employees are given an opportunity to contribute to work areas outside their specific job description.	2.766	0.075	0.048	0.828	0.460	0.502	0.579	0.632	0.256	0.856
The talents and skills that exist in the organization are effectively utilized.	2.027	0.145	0.747	0.392	6.871	0.012**	1.749	0.173	0.554	0.649
Generally, employees in this organization, are satisfied with the remuneration they receive for their effort.	1.833	0.173	0.158	0.693	10.538	0.002*	1.394	0.260	0.388	0.762

* p < 0.01

** p < 0.05

Table 5 indicates that there is a significant difference in the perceptions of managers varying in managerial level regarding the organization providing an environment where staff can solicit ideas fairly easily and where employees are provided with constructive feedback, at the 1% and 5% levels of significance respectively. Furthermore, Table 5 indicates that male and female managers differ significantly in their perceptions regarding the organization providing an environment where individuals are freely able to express themselves and are satisfied with the remuneration that they received for their effort at the 1% level of significance respectively. Also, male and female managers differ significantly in their perceptions regarding employees being provided with constructive feedback and their talents and skills being effectively utilized in the organization at the 5% level of significance respectively. In addition, Table 5 reflects that there is a significant difference in the perceptions of managers varying in tenure regarding the organization having a specific framework set for employees to know what is expected of them and regarding employees receiving good quality supervision at the 5% level of significance respectively. No other significant differences were noted. Hence, hypothesis 3 may be partially accepted in terms of managerial level, gender and tenure respectively.

Qualitative analyzes on managerial perceptions of staff retention and staff retention strategies

Open-ended questions were also used to assess managerial perceptions of staff retention and staff retention strategies:

Managers were asked to state what retention means to them. Most of the managers stated that retention means being able to keep top performing and key employees within the organization for a certain period of time without wanting to leave and seek employment opportunities elsewhere.

Manager's opinions of why organizations retain staff were also evaluated. The majority of the managers stated that organizations retain employees in order to keep valuable knowledge and expertise within their organization. They also stated that organizations retain staff to ensure stability in the organization, ensure competency, keep intellectual capital within the organization and for organizational growth and succession planning.

Manager's opinions on what could be the implications of not employing staff retention strategies in an organization were explored. The majority of the managers believed that there would be high employee turnover rates, loss of intellectual capital, problematic succession planning, increased recruitment costs, increased training and development costs, a negative impact on organizational performance and lower than required competence levels of staff.

Managers were asked how they believed the organization retains its top performers. The majority of the respondents stated that financial rewards such as performance bonus, succession planning, promotions, employee recognition through the Best Employee of the year and Silver or Gold or Platinum awards that are given to employees for contributions to improvements.

Managers were required to comment on the manner in which middle performers are retained and developed in the organization. The responses were silver or gold or platinum awards for contributions to improvements are given out, middle performers are also given a performance bonus and, nominations to specific leadership and development programmes.

DISCUSSION OF RESULTS

Focus on staff retention strategies, strategies utilized and their effectiveness and organizational practices that encourage staff retention

Whilst all managers at all levels believed that given the opportunity they would attach importance to, and implement, staff retention strategies, the majority of the managers (71.4%) stated that their company places a moderate degree of emphasis on staff retention strategies. However, all managers (100%) believed that such strategies in the organization focused on retaining best performers. In this regard, Drake International NA (2008) observed that over 75% of organizations do not have distinct retention strategies thereby, making no attempts to retain valuable employees. This occurs, despite the fact that employee retention plays a crucial role in the long-term health of every organization (Hassan *et al.*, 2011). Likewise James (2009) and Gupta and Srivastava (2007) found that employees leave an organization for various reasons which include that there are no distinct staff retention strategies in the organization that they work for and they tend to be tempted to leave the organization with the hope of finding greener pastures elsewhere. Staff retention strategies mostly used at the target organization in the current study predominantly included opportunities for promotion (26.2%) and performance bonus (26.2%) and to a slightly lesser extent career growth, learning and development (23.8%). In addition, 59.5% of the managers agreed that staff retention strategies that are adopted are effective. Researchers have found that if these strategies are appropriately adopted and implemented in the organization, they can result in more employees willing to remain in the organization (Gberevbie, 2010). According to Cole (2000), "Employees stay and are loyal with organizations where employees are valued, have a sense of pride in their work and are given an opportunity to realize their full potential".

Organizational practices that encouraged staff to remain in the organization included employees having clarity on what is expected of them and receiving good quality supervision. Practices in the organization that would encourage staff turnover included employees not being given the opportunity to contribute to work areas outside their specific job description and the prevalence of an environment where people are not completely able to express themselves freely. Furthermore, even if organizational practices that have the potential to enhance staff retention existed in the organization, they were not effectively communicated and emphasized. Evidently, employees also feel valued, respected and appreciated if they have the ability to speak their mind freely within the organization. If an organization solicits their ideas and provides an environment where they are able to provide feedback, this will result in employees committing to continuous improvement in the organization and remaining with the organization (Heathfield, 2012; Irshad, 2011; Workplace Strategies, 2012). Likewise, Irwin (2011) highlighted five staff retention strategies which may be utilized and they include developing a corporate mission, culture and value system, insisting on a safe working environment and creating clear, logical and consistent operating policies and procedures.

Relationship between staff retention strategies and employee turnover and performance respectively

Managers at all levels believed that there is an inverse relationship between staff retention strategies employed in the organization and employee turnover and that staff retention strategies have a strong, positive influence on employee performance. Also, there is a significant relationship between managers' perceptions of the extent to which they believe their organization places emphasis on staff retention strategies and their perceived effectiveness of these strategies in retaining staff and reducing employee turnover. Likewise, Fatima (2011) and Irshad (2011) found that when employees are satisfied with the staff retention strategies employed in their organization, they will perform above expectations and will have an urge to remain in the organization for a longer period of time to reveal their skills and abilities. Furthermore, when employees are timeously recognised for performing well in their organization, they feel better about themselves and they have a positive attitude towards their work, performance and their company (Globoforce Workforce Mood Tracker, 2011; Heathfield, 2012) and this ensures loyalty from employees.

Influence of biographical variables on managerial perceptions of staff retention strategies

Tenure of managers influenced their perceptions of staff retention strategies in the organization. Furthermore, tenure, managerial level, gender and tenure influence the managers of managers of the organizational practices having the potential to enhance staff retention. Managerial tenure influences managers' views of the organization having a specific framework set for employees to know what is expected of them and for them to receive good quality supervision. Managers from the various levels differed significantly in their views of the extent to which the environment enables employees to solicit ideas easily, and where employees are provided with constructive feedback. Furthermore, male and female managers differ significantly in the extent to which they believe the work environment enables employees to express themselves freely, where employees are satisfied with the remuneration that they receive for their effort, where employees are provided with constructive feedback and where talents and skills that exist in the organization are effectively utilized. However, Heathfield (2012) confirmed that all managers hold the same views on all aspects of staff retention and that age and educational qualifications do not play any significant role in how managers perceive staff retention.

Qualitative analyses reflected that managers believed that without staff retentions strategies in the organization, there would be high employee turnover rates, loss of intellectual capital, problematic succession planning, increased recruitment costs, increased training and development costs, a negative impact on organizational performance and lower than required competence levels of staff. They therefore, stressed the importance of staff retention strategies to ensure stability in the organization, ensure competency, to keep intellectual capital within the organization and for organizational growth and succession planning. Evidently, the organization was adopting both intrinsic (recognition, succession planning) and extrinsic (financial rewards, performance bonus, promotions) measures to retain top performers. Apart from the numerous non-financial incentives identified as staff retention strategies, Max (2006) notes that offering a fair and competitive salary is the most obvious way to attract and keep top talent (Max, 2006). Fair wages are the foundation element of the implied and contractual bond between employers and employees, the underlying supposition being that monetary rewards can persuade behaviour (Parker & Wright, 2001). Therefore, offering a fair and competitive salary plays a significant role in attracting and retaining top talent.

RECOMMENDATIONS AND CONCLUSION

Failure to take cognisance of, and effectively implement and communicate, staff retention strategies may result in organizations losing their valuable and key employees. Effective staff retention strategies have the potential to positively influence performance, staff motivation, the accomplishment of organizational goals and gaining a competitive advantage and are therefore, pivotal to the stability and health of the organization. Some recommendations related to staff retention strategies, based on the results of the study include:

- Good quality supervision should be provided to employees to encourage them to work harder and increase their performance as they will be aware of what is expected of them and are further assisted when they face challenges.
- An environment where employees are able to solicit their ideas easily and are able to express themselves freely needs to be created.
- Managers should place emphasis on providing feedback to their employees because this motivates employees to perform better as they are aware of their strengths and weaknesses and are able to improve areas that need improvement.
- Job enrichment can be provided to employees by broadening their responsibilities, giving them an autonomy for decision making and allowing them to contribute to areas outside their specific job description.
- Managers should provide fair pay to their employees as this is the most obvious way to attract and retain valuable employees in the organization. However, intrinsic and extrinsic rewards should be skilfully integrated.
- Managers should make employees feel recognised, valued and appreciated.
- The kind of support that an employee receives from management is critical to retention, therefore, managers should nurture a supportive work environment with mutual trust.
- A great work environment is one of the important factors in an employee's retention and is often prioritized by job seekers. An organization's ability to develop a supportive learning and challenging work environment that accommodates employees' needs and expectations plays a pivotal role in employee retention.
- Employees spend a great deal of their lives working so it is important that they find purpose and have an interest in what they do. Therefore, managers need to ensure that they provide meaningful and challenging work to their employees. This will result in more committed employees who have a sense of pride in their organization and the contributions that they have made in their organization.

- Managers should also ensure that career growth, learning and development opportunities are provided to employees as this is one of the top reasons that impact on whether an employee decides to remain in the organization or leave.

Evidently, simply focussing on opportunities for promotion and performance bonuses is insufficient to retain valuable top performers. Staff retention needs to be prioritized if an organization aims to effectively utilize its human capital to gain a competitive advantage in the dynamic environment within which it operates. The aforementioned recommendations, when effectively implemented, have the potential to enhance staff retention in the organization.

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