

# STAFF RETENTION AT WORLD VISION INTERNATIONAL LESOTHO

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"The pain is not on the day of missing our dear ones. The pain is really when you live without them and with their presence in your mind." This is in remembrance of my late sister, Mamofa "Nomfa" Irene Mathe.

#### **DECLARATION**

"I declare that the field study hereby submitted for the Magister in Business Administration at the UFS Business School, University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university. I also hereby cede copyright of this work to the University of the Free State."

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Signed: Moqephe Ignatius Mathe

Date: 16 November 2015

#### **ABSTRACT**

Staff retention at World Vision International Lesotho is affected by broad factors of the organisation; which are compensation and benefits, work/development environment, organisational environment, and work-life balance. The ability to retain employees at World Vision International Lesotho helps the organisation in the reduction of training and development costs, and the achievement of organisational objectives, goals, and set targets within time and approved budget. A quantitative research design was followed to gather data through the usage of closed-ended questionnaires.

The study enabled the researcher to evaluate the staff retention in World Vision International Lesotho. Factors which affect employee retention were identified, as well as those which World Vision International Lesotho management has to increase their efforts in as they may prompt employees to leave the organisation if not attended to on time. The impact of staff retention on both the employees and the organisation's operations were identified. Recommendations were made on how best human resources practices can be adopted in order to achieve maximum retention of World Vision International Lesotho's talent as the data revealed that most of its employees have plans to leave the organisation.

**Key words:** Staff retention, compensation and benefits, work/development environment, organisational environment, work-life balance, staff turnover.

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# CHAPTER 1 RESEARCH PROPOSAL

#### 1.1 INTRODUCTION

World Vision International Lesotho is a donor-funded non-governmental organisation (NGO) founded officially in 1987 in Lesotho. However, the ministry began work as far back as 1976 when World Vision International started funding two primary schools in Lesotho through interventions of World Vision International South Africa. From its establishment to the year 1995, World Vision International Lesotho's approach to development was through community development projects. From 1995 onwards, World Vision International Lesotho introduced Area Development Programmes (ADPs) to enable widespread participation in society's transformational development processes. The major events under ADPs are focused on health, education, food security, economic development, nutrition, water and sanitation with cross-cutting ideas of gender, environment, disability, HIV/Aids, child protection, and conflict management.

According to World Vision International Lesotho's Annual Review Report (2013), the strategic plan includes the following:

**Vision Statement**: Our vision for every child: life in all its fullness. Our prayer for every heart: the will to make it so.

**Mission Statement**: To follow our Lord in working with the poor and the oppressed to promote human transformation, seek justice, and bear witness to the good news of the Kingdom of God.

**Core Values**: We are Christians, we are committed to the poor, we value people, we are stewards, we are partners, and we are responsive.

World Vision International Lesotho currently operates in seven districts of the country – Mafeteng, Leribe, Quthing, Butha-Buthe, Maseru, Mohales' Hoek, and Berea – through 17 ADPs. The long-term development programmes are implemented within

15 years. In order to improve value and enhance the impact of the programmes, communities appoint grassroots committees and an executive committee. The main source of funding for the ADPs is child sponsorship.

In their operations, World Vision International Lesotho puts particular effort into accountability and transparency to remain trustworthy to their stakeholders. World Vision International Lesotho is accountable to the following: boys and girls, their families and communities, donors and partners, regulators and, finally, their own people – this means World Vision International Lesotho's staff and volunteers.

Success of every organisation is always dependent on human power and strength which relies on selection of the competent person in the particular field area. Any organisation can grow and fail because of its worker's sharpness and key competencies. In general terms, retention refers to existence or availability of competent people in the organisation (Nawaz, Jahanian & Tehreem, 2012). Retention is a deliberate action taken by the management of the organisation to make the setting which compels the employees to stick with it or a longer period of time. The process of keeping the employees for the long term is a kind of strategy made by the organisations so that they could retain employees for long time and gain benefits.

#### 1.2 BACKGROUND

Staff retention refers to an organisation's initiatives to keep high-performing staff on board (Bhalla, 2013, par. 1). The end result of every firm's inability to retain employees is their departure from the firm. Staff turnover is described by Hissom (2009) as a proportion of workers who leave the organisation over a specific period of time as a percentage of total employees before the expiration of their contracts. Staff turnover can be seen as healthy or unhealthy for an organisation. Coetzee and Pauw (2013) indicated eight important factors that must be considered in retaining employees. These are employee commitment, compensation, job characteristics, training and development opportunities, career opportunities, supervisor support, work/life policies, and turnover intention. Staff turnover, which is healthy for the organisation, brings new blood, innovativeness, and new technology into the organisation; while an unhealthily excessive staff turnover means losing high-calibre workers.

Lesotho has 27 international NGOs to date. International NGOs in Lesotho play a pivotal role in national development and capacity building. They provide employment over and above the private sector and government institutions, but they are faced with high staff turnover. It is obvious that staff members move from one NGO to another. World Vision International Lesotho is not an exception in this respect. To date, World Vision International Lesotho has a total of 205 employees. However, in any one year it is faced with a staff turnover of around eight to ten per cent.

Staff retention has become a great concern for humanitarian organisations worldwide. Loquercio, Hammersley, and Emmens (2006) found that most humanitarian agencies are comfortable with a certain degree of staff turnover because it provides them with flexibility in transferring staff, brings in new blood, and can be used as an opportunity to develop staff through a sequence of challenging assignments. However, Loquercio et al. (2006) concluded that unplanned employee turnover is difficult and costly. It does not affect only organisational learning capacity and efficiency, but also the ability of agencies to react to emergencies, or even sometimes to just continue current programmes. As indicated, it is obvious that the inability of any organisation to retain staff leads to turnover, which affects the organisation for good or ill (Northern Territory Government, 2012, par. 6).

The above-mentioned cases call for a committed, efficient, and effective human resource strategy to determine the achievement of organisations. For any organisation to achieve its objectives, it has to have competent staff to manage its most valuable assets – its people. Thus, Ng'ethe, Iravo, and Namusonge (2012) believe that retaining employees is critical for any organisation. Indeed, there is a paradigm shift from human resources to human capital; which consists of the knowledge and abilities of the staff in an organisation, which is indicative of their value in the organisation. Furthermore, the quality of any organisation is determined by the quality of its employees. Therefore, human resource management is one of the crucial functions that should be practised in a systematic and professional way to retain competent, high-performing, and committed staff. Organisations should have an effective human resource management system that is designed to achieve their objectives, and implemented to ensure that they recruit, develop, and retain workers who will contribute to that achievement.

The National University of Lesotho produces graduates who do not meet the demands of employers; therefore organisations have to train new staff. World Vision International Lesotho is not exempt from this necessity – incurring high training costs for new employees in order to familiarise them with the systems utilised and make them competitive; having already incurred high recruitment costs such as advertising, interviewing, screening, hiring, and management. Bertelsmann Stiftung's Transformation Index (2014) confirms that tertiary education in Lesotho has not been adapting to market demand, and there is a huge gap between the demand and -supply of skilled personnel.

#### 1.3 PROBLEM STATEMENT

The inability to retain staff hinders daily operations. The donor funding comes up with specifics and time limitations, but with World Vision International Lesotho prone to high staff turnover, it is behind schedule in finalising the budget, and fails to achieve what its intended beneficiaries expect. Consequently, its relationship with the funders, beneficiaries, and regulators is constrained, and remaining staff continue to be stressed due to the need to perform extra duties to cover unoccupied positions.

In recent years, a high staff turnover rate has become a main concern for most of the international NGOs in Lesotho, and World Vision International Lesotho is not an exception. Affected international NGOs suffer both financially and non-financially. Losing one employee at World Vision International Lesotho entails the following expenses: advertising, which is equivalent to R7 200.00 per half-page of the local newspaper; interview expenses totalling R2 000.00; hiring expenses such as medical costs amounting to R1 200.00; and relocation within the country, which could amount to R1 000.00 – depending on the destination. All these costs are average per employee, and it is worth noting that there are roughly 20 resignations per year at World Vision International Lesotho. It is clear from the above scenario that World Vision International Lesotho loses a lot of money as a result of its high staff turnover, as well as productivity in terms of quality and quantity.

The aforementioned problem statement raises the following key research questions:

- What are the major factors that contribute to staff retention at World Vision International Lesotho?
- What are the implications of retaining key employees for World Vision International Lesotho's success?
- Are the retention tools that World Vision International Lesotho possesses sufficient to gather insights into employee retention in the organisation?
- What are the retention trends in World Vision International Lesotho?

#### 1.4 PRIMARY AND SECONDARY OBJECTIVES

The primary objective of the study is to evaluate staff retention at World Vision International Lesotho.

The secondary objectives of the research are as follows:

- To provide an overview of staff retention.
- To discover major causes of staff retention at World Vision International Lesotho.
- To analyse the impact of staff retention at World Vision International Lesotho.
- To determine the retention trends at World Vision International Lesotho.

#### 1.5 PRELIMINARY LITERATURE REVIEW

Various researchers have described staff retention.

Aguenza and Som (2012) described staff retention as the process of physically keeping employee members in an organisation, as it is one of the strategic fundamentals that is needed for organisational achievement. Retaining essential employees is vital to the long-term health and success of any company. Key staff members in any organisation have a deep, embedded knowledge of the company, and can use their extensive experience of working in it to identify its problems and lead it to success.

Kumar and Sandhya (2011) defined employee retention as a development in which workers are stimulated to stay in a company within a determined period of time until the end of a project. Nonetheless, it has turned out to be a difficult assignment. Employee retention benefits both the organisation and the employee. In the current intensive competitive environment, companies' human resources management are prone to poach from each other – firms that do not hold on to their employees can easily lose them to the competition. Gone are the days when employees stayed with one employer for a long time. Now there is an excess of opportunity.

A large number of organisations are emerging globally, which has increased their need to compete for and retain a competent workforce. Ng'ethe et al. (2012) indicated that much research undertaken to date shows that most human resources management activities, such as job satisfaction, staff motivation, organisational commitment, staff development and training, compensation, and staff recognition and appreciation, affect the decisions of staff to stay with or leave their organisations. According to Kwenin, Muathe, and Nzulwa (2013), a number of studies have been conducted on the role of human resource practices in alleviating voluntary turnover. In each of the studies, the conclusion was that human resources procedures go a long way to affect staff retention. These will be critically discussed in the next section.

#### 1.5.1 Job satisfaction

The attitudes and feelings employees demonstrate toward their work are defined as job satisfaction by (Armstrong, 2010). Positive attitudes towards work signal job satisfaction, while negative attitudes imply job dissatisfaction. Job satisfaction is therefore vital for staff well-being and organisational efficiency. When employees are presented with opportunities to contribute and participate in some activities in the organisation, such as making decisions regarding their job responsibilities and performance, they feel valued by the organisation, which may lead to their satisfaction with their jobs. Working in a sociable and affable environment that allows for flexible working hours and good social relationships is another factor which may lead to job satisfaction for the employee. Many researchers, including Terera and Ngirande (2014), have found that job satisfaction is directly related with employee retention; that is, satisfied employees are likely to stay. However, in the research done by Kwenin et al. (2013), they discovered that job satisfaction is not sufficient to retain staff in

organisations – there are other components that are essential for achieving job satisfaction.

From the above information, it can be inferred that job satisfaction is dependent on factors which are both extrinsic and intrinsic. To better understand how job satisfaction is dependent on extrinsic factors, it is linked to most levels of Maslow's hierarchy of needs. People need jobs to sustain their everyday needs such as food, clothing, and medical aid. A job is a prime source of financial security for most people (Shoaib, Noor, Tirmizi, & Bashir, 2009). Furthermore, people often associate themselves with their place of work. It becomes part of their identity and status in the community. A job provides a prospective means for the goals they want to achieve. When all these considerations are related to an organisational setting, meeting the self-actualisation and self-esteem needs of an employee results in increased job satisfaction – hence improved retention. On the other hand, Herzeberg's two-factor model indicates that there is less possibility that extrinsic packages can motivate employees (Ng'ethe et al., 2012). Herzeberg's theory states that employees are more often motivated by intrinsic packages such as job achievement, recognition, advancement, and doing challenging work; he calls these factors "satisfiers".

#### 1.5.2 Staff motivation

Motivation is solely concerned with factors which influence an individual to exhibit certain behaviour. Most often motivating staff involves pushing them in a direction to follow in order to achieve a certain result. Kumar and Sandhya (2011) emphasised the importance of employee motivation by indicating that employees' enhancement of their skills, knowledge, capabilities, and morale can be achieved by employers motivating their employees. Psychologists have studied the various ways in which employees can be motivated and these have resulted in a number of theories; some of which will be discussed as follows.

Unlike Maslow's hierarchy of needs, which describes an employee's behaviour based on the needs the employee wants to satisfy, the expectancy theory assesses three aspects: effort-performance, performance-reward, and valence. The theory explains the behaviour of employees in terms of the goal or outcome an individual wants to

attain (Charles, 2009, par. 28). The individual makes a choice among the present alternatives to achieve an outcome, which should be attractive and achievable to enable the employee to work hard for it. The better the performance of the employee, the higher the reward. For this theory to be practicable, employees should be adequately trained, believe that they can do the job, have an emotional commitment to the results, and trust that the system will estimate their performance fairly and reward them accordingly. Reward is therefore described by Shoaib et al. (2009) as anything the company gives to employees with regard to their contribution to influence positive future behaviour.

Another theory of motivation which has been developed is the equity theory. This theory entails the comparison of input versus output with another employee of a relevant group. When a certain group of employees perceives that they are not treated equitably compared to their relevant counterparts, they become less motivated. According to Armstrong (2010), this theory states that staff will be more motivated if they are treated equitably, and demotivated if they are treated inequitably. In a situation where employees feel that the benefits or rewards are not distributed equitably, they may decide to quit their jobs.

These theories of motivation disprove the common belief that money is a powerful motivator. Over and above these theories, Kumar and Sandhya (2011) suggested that there are other aspects of motivation that trigger employees' retention. These are compensation, growth, support, relationship, and environment. Shoaib et al. (2009) indicated that a study carried out by American Society of Interior Designers ASID established that the work environment contributes as a chief determinant affecting employees' decision to stay or leave the organisation. Another significant factor that triggers retention is the relationship between the employee and the immediate supervisor. By having support from the supervisor, workers are less likely to leave the organisation and they will be more committed by having a good relationship and open communication with their bosses. Rewarding employees based on their achievement of the desired organisational performance (therefore, compensation) remains a vital motivator. Irshad (2010) indicated that compensation plays a substantial role in attracting and retaining good employees, especially those who deliver outstanding

performance or have unique skills which are indispensable to the organisation – especially when they have invested substantial amounts in their training.

The goal of management is always to try to reduce staff turnover. This indirectly helps to reduce recruitment and training costs, possible loss of output, and loss of top performers. Ways to increase employee retention are discussed next.

#### 1.5.3 Recruitment

Getting it right at the recruitment stage is the first approach to increasing staff retention. Attracting and recruiting require time and resources, but recruiting a person who fits well into the organisation in terms of culture and values will lead the new candidate to thrive in it. Scott (2013) agreed that selecting the right person in the first place sets the direction for a relationship between the employee and the employer that can last.

#### 1.5.4 Training and development

Providing sufficient training and development to employees may promote high staff retention. If employees are given opportunities to enhance their skills, they will less likely leave the organisation. For instance, the company may allow employees to further their education and pay tuition fees on their behalf, and employees may undertake to remain with the company for an agreed period of time. Jessie (2013) stated that training and professional development opportunities are of key interest to staff for their continued employment. An investigation by Kyndt, Dochy, Michielsen, and Moeyaert (2009) showed that employees' perception of the significance of learning more about their job and the quality of work conditions are strong predictors of staff plans to continue with their present employer. On the other hand, employees with vast skills and knowledge are more marketable, hence they can plan to leave the company as and when they wish.

#### 1.5.5 Orienting staff

Integrating new employees into the organisation and acquainting them with the details and requirements of their jobs ensure that they can become productive immediately (Hendricks & Louw-Potgieter, 2012). New employees are introduced to their

workmates, and to organisational goals, policies, systems, procedures, and culture. Once they perceive that they are performing and feel at home, they will probably not plan to leave the organisation soon.

Managers are often not aware of the retention strategies or policies which are put in place to retain staff, which then increase staff turnover. Managers sometimes do not communicate information to their subordinates. It is therefore necessary that managers should be chosen well at the recruitment stage. Scott (2013) emphasised that it is very important to work together to ensure there is always an open line of communication between employees and supervisors to work productively with their employees.

Retaining employees is challenging to management and business owners alike. The problem they are faced with is how to manage this challenge. Employees leave with certain knowledge, and the lack of continuity hinders the achievement of organisational goals and objectives. Recruiting and replacing employees cost time and money. Irshad (2010) indicated that the cost of replacing former employees with new ones is about twice an employee's annual salary. It normally takes a new member of staff a year to be productive and familiar with the organisation's systems. When an employee leaves, the company not only loses that employee, but also the clientele who were loyal to him or her, and his or her knowledge of production, existing projects, competitors, and the past history of the organisation.

#### 1.6 RESEARCH METHODOLOGY

#### 1.6.1 Research design

Sekaran and Bougie (2013) defined research design as a blueprint for the collection, measurement, and analysis of data, based on the research questions of the study. In this study, the research design will follow a quantitative approach to investigate the key aspects of staff retention in World Vision International Lesotho. The quantitative method will try to gather the opinions of respondents on the subject of interest (staff retention) in a structured way to produce factual results with statistical justification. This method is chosen over other methods mainly because it is likely to be more

reliable and objective when used to generalise findings to the population. The importance of the quantitative research method is that it allows the researcher to analyse statistical data, compare different variables, and to make some measurements; these factors contribute to why it was chosen over other methods. The method also allows for the provision of proper documentation regarding the content and application of the survey instruments to enable other researchers to assess the validity of the findings.

#### 1.6.2 Sampling design

The target respondents for this study are current employees of World Vision International Lesotho. Some of the key variables which will be measured include factors affecting employee retention from the broad perspectives of compensation and benefits, the organisational environment, work/development environment and work-life balance, and the effects of staff retention on both the organisation and its employees, as well as possible retention trends of the organisation.

A database of all current World Vision International Lesotho staff will be sourced from the Human Resources office. The population size is 205 employees. Simple random sampling will be used as the sampling design. This method of sampling gives all elements of study a chance of being selected in the sample. In this case, all the elements have a known probability of being selected in the sample.

#### 1.6.3 Data-collection methods

Questionnaires consisting of closed-ended questions will be used for collecting data from the sample. The questionnaires will be sent via e-mail to the sample. The e-mail will clearly indicate the purpose of this study and its importance, and assure the respondents of the confidentiality of their responses. Closed-ended questions will assist the respondents in making quick decisions by choosing from several alternatives. Sekaran and Bougie (2013) indicated that closed-ended questionnaires help a researcher to code the data easily for successive analyses. A four-point Likert scale will be designed to scrutinise how strongly respondents agreed or disagreed with a certain statement.

#### 1.6.4 Data analysis

Data collected through questionnaires will be coded by assigning specific numbers to respondents' responses to enable data entry into the spreadsheet template for capturing. After the information is captured in the spreadsheet, it will be edited before analysis to ensure that it is free from errors which can be misleading if not rectified. Sekaran and Bougie (2013) stated that data editing involves identifying and correcting illogical, inconsistent data and omissions in the information returned by the respondents. Upon completion of editing, the data will be transformed by changing the original numerical representation of a quantitative value to another value. They will then be analysed on the basis of the above-mentioned variables. SPSS, together with Excel, are the applications which will be used to analyse the data. Simple statistical analyses in the form of bar charts, pie charts, and tables will be used to present the results of the analysis.

#### 1.6.5 Ethical considerations

In its simplest form, ethics is a system of moral principles. Lynn and Brizee (2012) showed that, when undertaking a study in an educational and professional setting, one needs to be conscious of the ethics behind the research activity. The following ethical considerations will apply to this study:

- Prior approval to conduct the study will be requested from World Vision International Lesotho's management.
- Details about the purpose of the study, its importance, and how the information will be used by the researcher will be made explicit to the target population without any concealment.
- Confidentiality will be assured to the respondents.
- All the respondents will be treated with respect by avoiding discriminatory or otherwise very sensitive questions, using language that is easily understood, and, throughout their participation in this study, not compelling respondents to answer all the questions.

• Lastly, in collecting data from the respondents, the researcher will not influence the decisions of the respondents in attempting to complete the questionnaires.

#### 1.7 DEMARCATION OF THE STUDY

This study is in the field of human resources management because human resources management comprises all management activities directed at attracting employees into an organisation, and training, developing, and motivating them to become committed employees of high calibre, and ultimately retaining them. The study will be conducted in the 17 ADPs of World Vision International Lesotho in seven districts of the country, which are Butha-Buthe, Quthing, Leribe, Mohale's Hoek, Berea, Mafeteng, and Maseru. The researcher will undertake the study and be responsible for funding it.

#### 1.8 CHAPTER LAYOUT

The research study is structured as follows:

Chapter 1 of the study presents the research proposal. Chapter 2 contains the literature review. Chapter 3 describes the research methodology. Chapter 4 includes the data analysis and findings; and Chapter 5 provides the conclusion and recommendations.

#### 1.9 SUMMARY OF CHAPTER 1

The chapter introduced the study of staff retention at World Vision International Lesotho. It provided the background of the organisation and its employee retention. It discussed the main purpose of the study, problems it is going to address, and gave a brief literature review of employee retention and the research design.

# CHAPTER 2 LITERATURE REVIEW

#### 2.1 INTRODUCTION

Globalisation, technological or scientific improvements, new strategies of conducting business operations, recent systems of organisations that align with volatile market demands, and the drive to always be on top of competition have led to a change in the world of work in the previous decades. This also initiated the introduction of knowledge workers and resulted in the transformation of employees' talent needs. Due to the submissiveness of talent, managers should react to employees' changing essentials to warrant progressive, suitable, and fruitful responses to shifting market requirements. Therefore, to guarantee organisations' continued operations and competitive advantage over others, it is prudent that organisations attract, develop, and retain suitable talent in all positions. Masibigiri and Nienaber (2011) emphasised that the importance of retention emanates from the combined nature of talent management therefore organisation's management must ensure that they adapt to changing circumstances to retain employees.

This chapter aims at detailing all the components and the impact of staff retention on organisations. The chapter will firstly define staff retention and its relevant concepts, and describe theories related to staff retention, and the importance of employees in any business setting. Factors affecting staff retention will be analysed in detail. Furthermore, this chapter will also scrutinise all the possible retention strategies or programmes which can be implemented to retain staff. The impacts of staff retention on both employees and employers will be discussed. Methods of depicting retention tools and strategies from employees and other sources will be analysed. Lastly, methods used to improve staff retention based on theories and factors affecting retention will be critically covered.

In every organisation the aim is to reduce staff turnover, thereby decreasing related costs such recruitment and training and the loss of required talent. There are

measures which organisations put in place to improve retention and reduce costs associated with staff turnover. Staff turnover is a symptom of great issues which have not been resolved by management, such low morale and the unavailability of a perfect career growth path.

#### 2.2 DEFINITIONS OF STAFF RETENTION

Staff retention refers to a company's ability to maintain competent staff or high-performing employees (Butali, Wesang'ula, & Mamuli, 2013). Simple statistics can be used to indicate staff retention; for instance, a retention percentage of 90% shows that an organisation has retained 90% of its workforces in a certain period of time (usually a year is used as the basis).

Fatima (2011) stated that retention is regarded as a complicated aspect of an organisation's human resources guidelines, procedures, and policies. At this point a distinction should be drawn between low-performing and high-performing employees and efforts should be targeted at retaining valuable and contributing employees in the organisation.

High-performing employees are assets to any organisation. These delivering employees persistently show high levels of collaboration and innovation. These employees are very skilful and have the ability to swop their different roles. Leadership in high-performing teams is not entrusted to one individual; instead any team member can assume leadership as per the need or requirement at that particular time – depending on individual expertise and knowledge.

High-performing employees are driven by a specific set of personality and behavioural characteristics, as follows:

- Energetic
- Dominant
- Well disciplined
- Competent

Low-performing employees have less skills and lower levels of collaboration and innovation.

Characteristics of low-performing employees are as follows:

- Negative attitude toward work and colleagues
- Always creates trouble
- Blames colleagues
- Lacks initiative
- Incompetent

#### 2.3 STAFF TURNOVER

The deepest setback of any organisation's inability to retain its competent staff is staff turnover. Replacing an old or former or current employee with another or new employee refers to staff turnover as defined by (Butali et al. 2013). These replacements are due to retirements, resignations, deaths, and transfers. An organisation's turnover is computed by the turnover rate, which is expressed as a percentage. Turnover rate is the fraction of workers in a workforce measured by percentages that leave the organisation during a specific time. Industries and organisations measure their turnover rate based on a financial or calendar year.

#### 2.3.1 Four types of staff turnover

**Voluntary turnover** is a decision made by the employee to willingly leaving his or her current position in the organisation (Dhladhla, 2011). This could be as the result of a better offer, lack of opportunities in career development, or staff conflict.

**Involuntary turnover** happens when an employer decides to release the worker from the organisation (Arokiasamy, 2013). In this case, an employee leaves his/her current position against his/her will. This could be due to staff conflict, unsatisfactory performance, poor discipline, or corruption.

**Functional turnover** is when an underperforming employee decides to leave the entity (Van Zyl, 2011). This type of staff turnover eliminates the paperwork and possible time planning related to firing an underperforming employee. In this case, the organisation only honours the employee's decision to leave, instead of having to prove beyond reasonable doubt that the employee was incompetent or did not add value to the entity.

**Dysfunctional turnover** is when high-performing staff decides to leave the organisation (Van Zyl, 2011). This kind of turnover can cost a company a lot of money. This could happen due to a better job offer in another organisation or due to no opportunities for professional development in the current entity.

High turnover is not only costly; it can also portray the company in a bad light to the public. However, there is still worthy turnover and it occurs when an organisation has recruited a good replacement for a vacant post. Good turnover, however, has a possibility to diminish if an employee has performed in all possible opportunities in a certain organisation and must move on and further build his or her profession in a different organisation.

Factors which each company should observe as the real cost of losing an employee are as follows:

- The cost of hiring a new staff member; inclusive of advertising, interviewing, screening, and hiring.
- Cost of on-boarding a new employee; including training and management time.
- Lost productivity It usually takes one to two years for a new employee to reach the productivity of the current employee.
- Lost engagement Remaining employees who observe alarming staff turnover lose touch with the organisation, which leads to low productivity.
- Customer service and errors New staff members often take longer to learn and are often less skilled in solving problems.

- Training cost For instance, within a period of two to three years, any entity invests around 10 to 20% of the worker's salary or more on development and training.
- Cultural impact Whenever someone leaves, the remaining colleagues often take their time asking questions.

Most organisations do not have systems which can track costs related to exit, recruitment, interviewing, hiring, orientation and training, lost productivity, possible customer dissatisfaction, lost or reduced business, administration, and lost expertise – hence their inability to measure the real cost of staff turnover (RajaRajeswari 2010, para. 20). Therefore, the necessary departments have to collaborate and measure these costs and their impact on the company.

#### 2.4 FACTORS AFFECTING STAFF RETENTION

In a number of studies carried out in the past years, Warnich, Carrell, Elbert, and Hatfield (2014) indicated that factors impacting staff retention have been grouped under four broad components; which are organisational environment, work or development environment, compensation and benefits, and work-life balance. These factors as affecting staff retention are discussed in the next section.

#### 2.4.1 Factors in the organisational environment impacting staff retention

Mbanote (2011, par. 1) explained the organisational environment as a number of forces which surrounds the organisation, and there is a possibility that they will affect the way the entity conducts its operations and its accessibility to limited resources. For efficient management, every entity needs to accurately comprehend the environment it operates in. These factors can be external and internal to the organisation. These factors are critically discussed in relation to staff retention in the next section.

#### 2.4.1.1 Open communication/transparency

Communication refers to the meaningful transfer of information from one person to another. This is also sharing ideas, concepts, feelings, and emotions with each other. Wilton (2011) indicated that employee communication plays a central role in aligning worker values, attitudes, and behaviour with the prevailing culture. Warnich et al. (2014) indicated that communication is the glue that binds numerous components, coordinates activities, and enables employees to work together to yield specific outcomes.

Communication in an organisation can take different forms. The two main different forms are formal and informal communication. Formal communication refers to communication networks which follow the organisational charts or formal lines of communication. This can be in the form of written memorandums, formal meetings, instructions, and staff intranet. Four different types of communications are depicted under formal communication; horizontal, upward, downward, and diagonal communication (Lunenburg, 2010).

Informal communication is a kind of interaction pattern based on friendship, career interests, and/or shared personal views. This communication is based on personal proximity with other workers in the organisation. Azudin, Ismail, and Taherali (2009) indicated that informal communication can fill a gap which is not properly filled through the formal communication system, maintain linkages, and manage one-time situations.

The benefits of explicit communication influence a person's decision to leave or stay in an organisation. Kazi, Aziz, and Zadeh (2012) indicated that organisations with strong communication systems have low job turnover rates of employees compared to those with poor communication systems. Open communication improves employees' commitment to their work. When employees are committed to their workplace because information is communicated properly, they will decide to stay and vice versa. Nel, Werner, Haasbroek, Poisat, Sono, and Schultz (2010) support this by indicating that the provision of necessary information assists in building trust and motivating employees. Trust and motivation improve workers' commitment to the

group and influence them to strive to achieve the goals of the group, of the section, and of the organisation at large. Lastly, in their nature, employees resist change, and if they do not want to adapt to new systems, they will leave. However, if information is communicated to them both formally and informally, they will evaluate the information and decide to stay on board. Communication is not the only factor in the organisational environment that affects staff retention – organisational change readiness does too.

#### 2.4.1.2 Organisational change readiness

This refers to how employees respond to a change implemented by the management of an organisation. More often changes which are introduced by management are retrenchments or downsizing and restructuring.

Warnich et al. (2014) described retrenchment or downsizing as a reduction in the number of an organisation's employees. When organisations realise that they are losing their market share due to redundant employees, they introduce downsizing. Downsizing reduces cost, improves organisational effectiveness, and produces competitiveness (Saif, Rehman, Rehman & Khan, 2013). There are three downsizing strategies; namely workforce reduction, organisational redesign, and systematic approach. Before retrenchment is applied, employees are happy and satisfied with their work; however, after some of their team members have been retrenched, remaining employees start looking for other jobs because they are unsure about their own future in the organisation because of the negative experience their colleagues had. Furthermore, they think that they too might be retrenched; therefore they cannot focus on their work.

Restructuring is another change factor implemented by management that affects staff retention. Restructuring refers to reorganising the major activities of an organisation, such as reducing the organisational structure to a flatter one. The benefits of restructuring are described by Kupel (2014) as the reduction of costs while creating more efficient structures, effective processes, and committed staff. It should be noted that poor implementation of restructuring is common and most organisations struggle to get it right. Restructuring therefore leads to some employees leaving the organisation and some staying. However, the retained employees feel the risk of being

laid off because of the experience of their colleagues. However, Swanepoel, Erasmus, Wyk, and Schenk (2007) argued that changing organisational structures involves bringing about change in organisational design, decentralisation, and work flow. Decentralisation constructs smaller, autonomous organisational sections that increase the motivation and performance of the entity. It therefore promotes team flexibility and allows each department to adapt to its own structure and external environment. Once employees adapt to the organisation, they will decide to stay with the organisation.

Another factor under organisational environment that affects staff retention is the competitive technology level.

#### 2.4.1.3 Competitive technology level

Technology refers to innovative processes of doing things. Technology around the globe keeps increasing. Technology levels increasing at rapid rates affect staff retention. Ongoing technological advances lead to layoffs of redundant employees. The introduction of more sophisticated machines and equipment lead to high staff turnover in organisations as employees are replaced with new technologies. On the other hand, Warnich et al. (2014) indicated that when new technologies are introduced, they normally require certain specialised skills. Specialised training programmes to meet the demands of new technology normally teach employees with constricted skills comprehensive basic expertise, which can be transferable to another job. Narrow skills will therefore restrict or discourage employees from leaving an organisation. Organisational support and commitment are further factors under organisational environment which affect staff retention.

#### 2.4.1.4 Organisational support and commitment

Supervisors are at the forefront of an organisation, therefore their association with employees is an important aspect which impacts employee retention. When employees feel that they are being supported by the organisation or by their supervisors, it adds value and positively influences their job satisfaction and organisational commitment. Organisational commitment mirrors the extent an employee identifies with the entity and is devoted to its objectives and goals. Kreitner

and Kinicki (2010) indicated that this behaviour is crucial as committed employees are anticipated to exhibit a will to work harder and accomplish the entity's goals with the hope of working in the organisation in the future. Employees who feel discontent with their current employer unquestionably look for other jobs (Khan, 2014). Organisational commitment is divided into three related components; which are affective, normative, and continuance commitment.

Affective commitment is the worker's expressive involvement and identification with and attachment to the organisation. Employees showing solid affective commitment carry on employment with the current entity simply because they feel the need to do so.

Normative commitment indicates an obligation to carry on with employment with the current employer. Employees with a great level of normative commitment feel that it is a must to remain employed by the current entity.

Continuance commitment denotes to knowledge of the costs linked with exiting an entity. Staff whose major association with the organisation is founded on continuance commitment remains with their current employer because they feel the need to do so.

Organisational support means helping employees with work-related matters, caring for them, and valuing their inputs to ensure the achievement of organisational goals and facilitating training for their skills development (Hsieh, 2012). The supervisors do this with the hope that they will build a solid affiliation of trust with the juniors; anticipating greater performance in return. Accordingly, it is appropriate for supervisors to provide appropriate support to employees when they encounter problems in the workplace and to give necessary feedback. Employees, if they sense a lack of direction and support from management's side, are likely to leave the organisation (Roodt, 2005). Workers are able to concentrate their cognitive responsiveness on their jobs, hence continuous improvement in production and providing a platform to express their creativity and innovation, only if trust in their supervisors seems to build a psychologically safe environment for them (Madjar & Ortiz-Walters, 2009). Therefore, organisational support can be seen as affecting staff retention. Similarly, if employees perceive that they do not receive the expected support from management, they will

decide to leave the organisation. Diversity is another factor which affects staff retention under organisational environment.

#### 2.4.1.5 **Diversity**

Diversity refers to the multitude of individual differences and similarities existing among employees. There are human dissimilarities which are inherited and have a significant effect on people; for instance sexual or affectional orientation, age, race, gender, and physical abilities. There are also human differences which are external dimensions that are highly alterable; for instance work experience, education, income, marital status, religion, and geographical location. Therefore, these differences and similarities in the workforce need to be properly managed. Diversity management is defined by Warnich et al. (2014) as a planned, methodical, and detailed managerial procedure for designing an entity's platform which enables all workers, with their similarities and differences, to have inputs in the organisation's strategic and competitive advantage and without excluding anybody on the basis of aspects not related to productivity.

Managing the diversity of the workforce enhances the development of employees to their best abilities. It results in improved employee commitment, and innovation and creativity in the organisation, which result in a competitive organisation. Therefore, diversity management must focus on developing specific skills, and generating and drafting policies and practices that will obtain the top combination of efforts from all the workers. Diversity management wishes for a comprehensible environment in organisations and strictly targets effectiveness (Christiansen & Sezerel, 2013). One of the benefits of organisational commitment is to retain staff, which goes together with diversity management because it too attracts, retains, and utilises the best talent. Diversity management also increases the adaptability of employees through the creation of a suitable environment. If the environment is appropriate for all employees, it will decrease their chances of leaving the organisation, and if the organisation environment is not seemly for employees to perform, they will resign. Formal information or knowledge sharing also impacts staff retention.

#### 2.4.1.6 Formal information/knowledge sharing

Formal information or knowledge sharing refers to the transfer of know-how from one person to another in the organisation. When the organisational environment allows or enables the transfer of skills and necessary knowledge from one person to another, it leads to the retention of staff. This is because in order to perform in a certain position, one needs to be knowledgeable of the requirements of the position and how to get the job done effectively. Therefore, knowledge sharing from the immediate supervisor will stimulate the subordinate's performance. The fact that the employee will be aware and know what is expected from him or her on a daily basis will assist him or her to perform. LaBier (2010, par. 4) indicated that it does not require much to make the conclusion that employees who are well utilised feel happy and more involved, and exert more effort on productivity. This results in a psychological feeling of attachment to work; and there will be less or no intention to leave the organisation. This is the opposite of a situation whereby the employee does not know the demands of the work, meaning he or she has no information on how to do the daily job. The employees will not have a psychological connection to the organisation because they will always be bored and idle because they are not provided with the necessary information. In this situation, employee will decide to leave the organisation. Fairness is another factor under organisational environment which affects staff retention.

#### 2.4.1.7 Organisational justice or fairness

Organisational justice and fairness have developed as key factors contributing to the understanding of workplace attitudes and behaviour in recent times. Fairness is determined by an individual's perception or judgement in terms of working conditions; which are the availability of proper office infrastructure, workload, and compensation and benefits with respect to the work done by each employee (Arshad, Asif, & Ahmed, 2012). Employees' views of justice have been found to predict vital outcomes such as job and pay satisfaction, turnover intentions, and organisational commitment. Tricoles (2012, par. 3) attested to this by indicating that when employees perceive a workplace, they act in response to their perception, which may intensely impact on their physical and emotional condition, and as a result have an effect on the organisation's bottom line. A perception of justice or fairness in the organisation may influence loyalty,

commitment, and a sense of well-being at work; whereas a perception of injustice could stimulate hostility, absenteeism, aggression, employees quitting their jobs, and counterproductive behaviours.

According to Kreitner and Kinicki (2010), organisational justice has led to the identification of three components; which are distributive justice, procedural justice, and interactional justice.

Distributive justice indicates the perceived fairness in terms of the distribution of resources and rewards. This type of justice plays an imperative part in individual worker performance because the performance of one employee is compared to the performance of another employee.

Procedural justice pays attention to the fairness of the process and procedures used in allocating decision making roles.

Interactional justice is defined by Kreitner and Kinicki (2010) as the class of relational conduct employees get when procedures and policies are applied. This type of justice is categorised into two dimensions; which are interpersonal and informational justice. Interpersonal justice refers to how an employee is treated by his or her supervisor and subordinates; while informational justice refers to the details and explanations given to employees to define procedures which are applied in the allocation of outcomes.

Therefore, if the employees perceive that there is no fairness in the distribution of the resources, rewards, and benefits, they will see injustice being applied to them and decide to leave the organisation. Similarly, if employees perceive fairness in the allocation of the resources, rewards, and benefits, they will see justice being applied to them; therefore they will stay with the organisation. Organisational justice or fairness is not the only organisational factor affecting employee retention; networking opportunities also affect staff retention.

#### 2.4.1.8 Networking opportunities

Technology has made the world a small village. It has opened a lot of platforms such as social networks, online recruitment agencies, and professional networks such as LinkedIn. Through social networks such as Facebook there are a lot of career platforms which enhance better advertisement and coverage of vacant positions in different organisations. Social networks therefore are increasingly becoming recruitment tools. According to Smith (2013), respondents in a non-profit employment trend survey conducted in 2012 reported a 25% increase in the usage of LinkedIn and a 30% growth in the usage of Facebook. Although this wide coverage of open advertisement provides organisations with a broad pool of potential candidates to shortlist, it is also a challenge because it increases the mobility of employees from one employer to another.

Networking opportunities also affect the retention of employees through negative word-of-mouth advertisement of some organisations (Gonzalez, 2012). Social networks provide a free platform where people can express their harmful opinions about an organisation, which may lead to high turnover in the organisations which receive negative word-of-mouth. The world and current employees will perceive these organisations as operating unjustly, employees will decide to leave the organisation, and fewer applicants will apply for open positions. Furthermore, organisations tend to send their employees on different training courses or to workshops in different countries. Such training events are often visited by recruitment agencies to spot the talent available – hence opening the flow for networking. Such platforms also affect staff retention because if the recruitment agencies are interested in an employee, they will attract such an individual to a new position in a different country or organisation. Job security is yet another factor in the external environment which affects staff retention.

#### 2.4.1.9 Job security

Job security is the possibility that an employee will retain his or her work. There is a small probability that an employee will become unemployed if the current job has a high level of job security. Job security affects staff retention because employees join

trade unions, which are responsible for protecting their jobs through the negotiation of contracts. Even when there is a need to retrench staff due to economic problems, trade unions always stand in favour of the employees, hence staff may be retained when it is not necessary to do so. If employees do not have a sense a job security in an organisation, they may intend to leave the organisation even if they are still required to stay on board. Job security is influenced mostly by individuals' monthly expenditures; therefore employees need to stay where they feel that their jobs are protected to earn the monthly income to sustain their lives.

Although increasing job security as a factor affecting staff retention cannot be controlled directly by the employees, there are means of lowering the chance of becoming unemployed. Keeping updated with increasing required industry skills that may be used in different jobs such as continuing with education courses might make an employee less likely to lose his or her job. Furthermore, an employee improving his or her experience in different, special projects through volunteering might assist in better performance and for him or her to remain on the mind of the employer for a longer period of time. The opposite holds true in this case. Senior team reputation is a factor affecting employee retention in the external environment, as discussed in the next section.

#### 2.4.1.10 Senior team reputation

Senior team reputation refers to the management of the organisation's perceived values as seen by the subordinates or employees and the world at large. This factor has an impact on staff retention. If the management of the organisation has set a good or reputable name in terms of standing for merits in terms of achievements, reliability, and efficiency, employees will want to keep working in this kind of organisation because of the good name the management has set in people's minds. On the other hand, if the senior team management has set a bad name for the company, then employees will intend to leave the organisation because they have a psychological feeling that the bad name will be associated with their personal dignities. In this case, Yazinski, (2009, par. 4) indicated that employees' trust and confidence in senior leaders will start deteriorating and ultimately influence their intention to leave the

organisation. It is not only the senior team's reputation that affects staff retention; company reputation or organisational behaviour also plays a part.

# 2.4.1.11 Company reputation

Every employee wants to work for an organisation which has a reputable name in the community. According to Beheshtifar and Allanhyary (2013), organisational reputation means how others observe the organisation and how they judge it as a result of the organisation's recent activities. Organisational reputation can be measured by 5 components; which are products, services, leadership, social responsibility, and organisational image. If employees are aware that the products or services delivered to beneficiaries are perfect, they will remain committed to what they do and remain with the organisation. If the leadership of the organisation is perceived to be good by employees, they will not have intentions to leave the organisation. This is supported by Muteswa and Ortlepp (2011), who indicated that leadership or management style assists by constructing a common understanding among employees at the managerial level and this stimulates high work performance – simultaneously reducing employees' plans to quit. On the other hand, a poor relationship between a manager and an employee may lead to the employee quitting the organisation. Hence, leadership plays an important role in retaining staff.

Corporate social responsibilities, which are initiatives implemented by the organisation to help or give back to the community, improve employees' perceptions of the organisation. Employees become proud and committed to the organisation when the company fulfils its corporate social responsibilities. Workers' individual identities are somewhat tied to the organisations which had hired them. Hence, if the organisation is helping the world, this relationship with the organisation positively mirrors on the employees and this creates happiness and pride in their organisation – resulting in the deterioration of intentions to leave. Organisational size and stability are further factors under organisational environment which affect staff retention.

#### 2.4.1.12 Organisational size and stability

Organisational size is measured by the number of employees an organisation has and the operational activities involved; while organisational stability can be measured by the organisational strategic plan. According to Arokiasamy (2013), the inability of an organisation to retain its staff has been attributed to instability in the management of the organisation. Employees are motivated to stay and work when the organisation is stable and the work environment is consistent. Furthermore, Kazi et al. (2012) indicated that a stability signature displays that there is a hint that employees can remain in the organisation for a longer period, and if the organisation is unstable or inconsistent in achieving its goals and objectives, the same can act as a repellent.

Some people enjoy working in big organisations with many employees, while some people enjoy working with a minimum number of colleagues or small firms. Therefore, organisational size may affect the retention of employees. Employees who admire working for large organisations will not have intentions to leave the organisation, while employees who do not like working for big organisations may decide to leave. Similarly, employees who do not like to work for small organisations may decide to quit their jobs and join big companies, and those employees who enjoy working for small companies may stay longer with their organisations.

# 2.4.2 Factors in staff/development environment impacting on staff retention

This is the environment created within the organisation which enables the professional development of employees and promotes a high performance culture in the organisation. The factors which affect staff retention which are related to the staff or development environment will be discussed next.

#### 2.4.2.1 Empowerment and responsibility

Aijaz and Shah (2013) defined employee empowerment as the process of creating a conducive work environment that allows employees to decide on work-related matters. Increasing employees' responsibilities, stimulating employee morale, and improving the quality of employees' work life are the chief purposes of employee empowerment. Improved levels of employee satisfaction result in higher levels of employee loyalty,

which lead to increased retention ratios. On the other hand, organisations which are unable to empower their staff are faced with the challenge of turnover because employees will not be motivated to stay in one job where routine work is done every day. A routine job leads to boredom at work; employees must be motivated to do challenging work. Therefore, employees who are bored at work will leave the organisation.

Employee empowerment can be achieved either through participative management or delegation. Participative management is a process whereby employees are allowed to take part in setting goals, making decisions, solving problems, and making necessary changes in the organisation (Kreitner & Kinicki, 2010). Employee participation increases employee satisfaction, commitment, and performance. This kind of empowerment is aligned with Maslow's hierarchy of needs motivation theory because it is predicted to achieve autonomy, meaningfulness in work, and interpersonal contact. These positive feelings in turn lead to the retention of staff.

Delegation is the process of letting lower-level employees make decisions. This is so because Humbostard and Perry (2011) indicated that empowerment implies that employees at the lower levels of organisations are knowledgeable and leaders should therefore be there to coach or mentor them. Delegation develops individual employees' abilities to perform more. This attitude will lead to job satisfaction, which results in high retention ratios in organisations.

Although empowerment is seen to reduce staff mobility from one employer to the next, it is argued that some employees fear increased responsibilities on their schedules – hence the possibility that leaving the organisation might increase their responsibilities. Empowerment is not the only staff or development factor affecting staff retention; advancement opportunities also impact on staff retention.

#### 2.4.2.2 Advancement opportunities

Advancement opportunities refer to career opportunities which are available in the organisation. Lack of advancement opportunities in an organisation decreases the levels of satisfaction because employees perceive that they will not grow

professionally within the organisation. This perception will increase employees' intentions to leave the organisation. Arokiasamy (2013) acknowledged that lack of promotion and mundane work tasks significantly contribute to employees' intention to leave an organisation. By contrast, if the organisation has advancement opportunities, employee satisfaction will increase as they will perceive that they have the opportunity to advance in the organisation. In other words, if employees believe that jobs or positions that match their career goals and interests exist within the organisation, it will result in high retention ratios in the organisation. Personal "buy-in" to the business strategy also impacts staff retention.

# 2.4.2.3 Personal "buy-in" to the business strategy

This is a situation where employees believes or are committed in the organisational strategy; namely the organisation's vision, goals, objectives, and values and their day to day work is resonant (Davis, 2010). When the employee's personal strategies are aligned with or similar to the organisation, the employee will believe in them and ensure that they are adhered to, and the employee will likely not leave the organisation. However, when the employees' personal goals, values, and objectives are incompatible with organisational strategies, employees will not believe in them or demonstrate buy-in. This will result in employees planning to leave the organisation. Personal "buy-in" to the business strategy affects employee retention, but mentoring also impacts staff retention.

#### 2.4.2.4 Mentoring programmes

Mentoring is the process whereby an experienced manager provides guidance to junior staff and accelerates their personal development. A mentoring programme which is integrated with a goal-oriented feedback system provides a structured mechanism for developing a solid relationship with the organisation and this results in a stable foundation for employee retention and growth. One of the benefits of mentoring, as indicated by Warnich et al. (2014), is that it leads to better performance and longer service within the organisation. Nevertheless, it goes without saying that

an organisation without mentoring programmes will be exposed to high staff turnover. New opportunities and challenges are further factors under the development environment which affect staff retention.

# 2.4.2.5 New opportunities and challenges

New opportunities available in the organisation attract employees to stay longer in the organisation. However, if there are no new opportunities in the organisation, employees may likely leave the organisation. This is supported by Yazinski (2009) when mentioning that one of the reasons why employees leave organisations is because there are too few growth and advancement opportunities. Prevailing challenges encourage employees to exert more energy to enable performance as expected. This is aligned with Maslow's hierarchy of needs motivation theory, because once the employee achieves or overcomes the challenges faced, the self-actualisation need will be achieved and the employee will become the best he or she is capable of becoming. This motivation will lead to greater job satisfaction, which results in higher retention ratios. It is argued that some employees cannot face challenges; therefore challenges will frustrate them and they may decide to leave the organisation. Performance evaluation and feedback in the development environment also impact staff retention.

#### 2.4.2.6 Performance evaluation and feedback

Performance evaluation is a systematic evaluation of one's actual performance against set performance standards or targets. An appraisal is undertaken to identify employees' weaknesses to assist them to overcome them. Performance evaluation is used by organisations to determine compensation and promotion in the organisation. If there is a discrepancy between comparisons of actual performance against the desired performance, it suggests a need for training. The organisation will manage to retain employees if the training need is fulfilled. Feedback is always provided after the evaluation, and this report is used to develop a training plan to provide employees with progressive learning and opportunities. This act in itself forms positive recognition; however, other recognition and reward opportunities will present themselves during the performance appraisal process. The process results in greater job satisfaction,

improved employee morale, and employee retention because the organisation is staffed with employees who are highly productive and continually learning new skills and being challenged to do their best.

On the other hand, it is argued that organisations which do not practise performance evaluation are not able to retain their staff. When performance evaluations are not done, no feedback will be provided to encourage employees to perform better; this will lead to low employee morale and less job satisfaction – resulting in the inability of an organisation to keep employees on board, as testified by Johari, Yean, Adnan, Yahya, and Ahmad (2012), who indicated that performance appraisals are very important in enhancing employees' motivation, commitment, and satisfaction – which will undoubtedly influence their intention to stay. Autonomy is another factor under the development environment which affects staff retention.

#### 2.4.2.7 **Autonomy**

Autonomy refers to the extent to which an employee is free and independent in scheduling and defining the procedures to use in completing the job at his or her discretion. When the development environment allows an employee to schedule his or her job in line with the goals and objectives of the organisation, it increases the level of responsibility in ensuring that activities are implemented. If these goals are autonomous, they will determine the employee's energy to achieve them. Flexible initiation will lead to higher productivity as the individual has planned the job accordingly. The achievement of higher productivity leads to high morale and satisfaction, which results in the organisation's ability to retain employees. This is supported by Rothmann, Diedericks, and Swart (2013), who stated that a work environment with autonomy support characteristics will elicit overall needs satisfaction and results in greater work engagement and psychological well-being.

#### 2.4.2.8 Staff recognition and appreciation

These are formal and informal acknowledgements of an employee's efforts and results that are in line with the organisation's goals and objectives, and which exceed the

expected performance. For any organisation to be effective, they have to observe, appreciate, and praise good work which is delivered by the employees towards the organisational goals and objectives. Appreciation is an essential need and employees respond to appreciation conveyed through recognition because it confirms that their work is highly valued. There are two aspects of employee recognition; the first is identifying an opportunity to praise someone, and the second is a material or physical aspect to acknowledge someone with. Employee recognition leads to higher loyalty and satisfaction levels, which result in the retention of quality employees. Retention is largely influenced by rewards as organisational rewards have a satisfaction impact on employees, who may find it costly to leave behind a competitive reward and will consider that they will not find such rewards anywhere else, and hence they decide to stay (Fatima, 2011).

However, Marchington and Wilkinson (2008) argued that it is not vital to recognise good performance by symbolic awards or prizes because tangible awards together with praise can reduce performance, especially in cases where creativity and innovation are required. According to Marchington and Wilkinson (2008), intrinsic interest in a task (the feeling that it is worth doing for its own sake) tends to diminish when the employee concerned is given an external reason for doing it. In short, employees who work in order to be awarded more often tend to be less interested in the activities than those who are not expecting any reward. Therefore, when people are influenced to do something in order to receive a reward, they feel that their behaviour is influenced by the prize and this discourages their self-determination and capabilities; hence making the job boring. Once employees feel bored at work, they are likely to quit, which affects the potential of the organisation to retain valuable human assets. Role clarity is another factor which affects staff retention under the development environment.

# 2.4.2.9 Role clarity

Role clarity defines a new recruit's understanding of the job responsibilities and the organisational goals. Work situations and roles expected from employees must be predictable, consistent, and clear to them (Hassan, Akram, & Naz, 2012). If new

employees are not on board correctly, the ambiguity and uncertainty of their roles will not be reduced. Their work will not be done easily and correctly because they are confused. The work will be subpar because they are not sure of their exact roles and responsibilities. This results in low job satisfaction and commitment to the organisation. More often these affected employees quit their jobs even if they could have been star performers if they had been given clear roles and responsibilities. However, if employees are correctly on board, meaning they are clear on their roles and responsibilities, they will be productive because they know exactly what is expected of them in their job tasks and roles. Therefore, job roles imply productivity of the employees and they are also linked to job satisfaction and organisational commitment. When employees are satisfied and committed to the organisation, they do not have plans to leave and hence they are retained. Manager quality and integrity are other factors under the development environment which impact staff retention.

#### 2.4.2.10 Manager quality and integrity

Managers' quality is defined according to eight principles as derived from ISO 9004:2009: As management for the sustained success of an Organisation – A Quality Management Approach. The eight principles of managers' quality are customer or beneficiary focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making, and mutually beneficial supplier relationships. When management follows these principles, it can be felt throughout the whole organisation. The result of this is high morale and employee retention. However, if management decides not to follow the eight quality management principles, the organisation's corporate culture becomes meaningless, there is unclear communication from management to employees, employees are uncertain of the organisational goals and objectives, and they do not know how they fit it. Therefore, their response to this confusion in the organisation will simply be to leave the organisation; hence the inability of the organisation to retain staff. Person-organisational fit is another factor which affects staff retention.

#### 2.4.2.11 Person-organisational fit

The similarity between an employee's profile and the organisation has important implications for staff retention. This is because employees perform best in situations that are compatible with them. The fit can be measured by three aspects; which are shared goals, common preferences, and similar preferences for the work environment. There are two types of person-organisational fit; which are supplementary fit and complementary fit. Supplementary fit is when employees' personal characteristics are harmonised with those of the organisation (Hassan et al., 2012). When the conditions of the work satisfy the employees' psychological needs, this is called complementary fit. If any employee is fitted in a firm through either supplementary or complementary fit, this results in a satisfied employee. When the employee is satisfied in the workplace, there will be no or low intentions to leave the organisation, hence the organisation's ability to retain. However, employees will tend to leave an organisation if there is inconsistency between the organisational goals and employees' individual goals. Person-job fit also affects staff retention.

# 2.4.2.12 Person-job fit

Hassan et al. (2012) refers to person-job fit when the job characteristics are compatible with employees' personal attributes. There are two types of person-job fit; demand abilities fit and need supply fit. A match between the requirements of the job and employees' knowledge, abilities, and skills is referred to as demand abilities fit; while need supply refers to the extent to which employees' needs, aspirations, and preferences are fulfilled by the jobs they perform and the rewards linked with the particular jobs. Memon, Salleh, and Baharom (2014) indicated that the two types of person-job fit contribute to predicting employees' work-related attitudes and behaviours and this concept has been emphasised by different organisational theories, such as the theory of adjustment, well-being, and satisfaction. Therefore, high levels of person-job fit lead to satisfaction, which ultimately leads to lower turnover rates, and therefore the ability of the company to retain staff. On the other hand, negative congruence between employees' personal attributes and job characteristics may lead to low job satisfaction, and therefore a negative relationship with staff retention. Another factor affecting staff retention is internal mobility.

#### 2.4.2.13 Internal mobility

Internal mobility opportunities influence staff retention. Internal mobility refers to job rotation. Job rotation is defined by Kreitner and Kinicki (2010) as a process of moving employees from one specialised job to another. It also refers to occupational change, which includes transitions that require altogether new skills, routines, and work environment, alongside with new training, education or vocational preparation within the organisation (Joao & Coetzee, 2012). In this case, employees are trained to do two or more different jobs on a rotating basis. This can stimulate motivation and help them to be broadly knowledgeable within the organisation. Organisations implement job rotation to place employees in the positions of their choice. The belief behind this is to reduce turnover while increasing performance. Therefore, motivation is derived from doing what one excels at, which leads to job satisfaction and the ability of the organisation to retain staff.

While internal mobility can lead to high retention, on the other hand it is argued that rob rotation may result in a situation whereby an employee does a job that he or she does not properly fit in, due to the human nature of having an interest in top positions. In such situations employees will feel demotivated and end up quitting the job because the placement choice or rotation was incorrect. Hence, this will have a negative relationship to staff retention. Another factor which affects staff retention is teamwork within the organisation.

# 2.4.2.14 Teamwork

Wilton (2011) described teamwork as an approach to work organisation which seeks to yield the productive potential associated with allocating work to cooperative groups of workers rather than to individuals. This is work which is done by a small number of people who have corresponding skills and are committed to a common purpose, goals, and approach. Teamwork normally increases efficiency and productivity. High productivity influences intrinsic motivation within team members. This is supported by Marchington and Wilkinson (2008), whose evidence suggests that employees who work in teams generally report higher levels of satisfaction than their counterparts

working under more traditional regimes. This leads to high job satisfaction, which results in high retention ratios in the organisation.

Although the general view is that teamwork is generally good and can lead to staff retention, in practice this can be difficult to implement. Teamwork only serves to strengthen management control, rather than to relax it. Marchington and Wilkinson (2008) indicated that it may also be impossible to introduce teamwork when employees are unable to improve their jobs to embrace higher-level skills or where there are legal, technical, or safety reasons that prevent employees from making certain types of decisions. Swapping one boring job for another low-level, boring job on a regular basis limits teamwork. It is in these cases that teamwork makes the job more stressful and intrusive and adds nothing to employees' skills. Therefore, this kind of teamwork failure influences employees to look for work externally because they feel that they are not learning anything, and hence it affects organisational retention negatively. Three-hundred-and-sixty-degree feedback is another factor which influences employee retention.

#### 2.4.2.15 Three-hundred-and-sixty-degree feedback

This is a performance appraisal report emanating from the ratings of a complete circle of stakeholders such as supervisors, subordinates, customers, shareholders, supplier, peers, and the self. Since the assessment is done by multiple raters, it reduces bias and is perceived as fair by employees. Information emanates from different sources, therefore it is a good basis for the development of employees. It further improves upwards and downwards communication within the organisation. Successful 360-degree feedback is linked to higher retention because it provides information which cannot be derived from an employee assessment by the employer only because of the relationship between the two parties or employee not being open to the employer. Therefore, this gives the employer more information from other parties, which will assist the organisation to put in place all other factors that employees require to perform their best and to retain them. Influencing high performance in an organisation leads to higher satisfaction when employees perceive that they have all they need to perform. This indirect caring will result in higher organisational retention ratios.

#### 2.4.2.16 Challenging and meaningful work

Challenging and meaningful work influences employees to exert more energy and apply their knowledge, capabilities, and skills to achieve organisational goals and objectives (Wolfhope & Myers, 2014). This influences their intrinsic motivation to excel and perform better. Achieving challenging work satisfies employees; hence they will decide to remain in the organisation for a longer time. Meaningful work is not confusing to employees; once work is not confusing, employees enjoy doing it. Meaningful work therefore motivates employees to stay longer in the organisation. On the other hand, employees who do not enjoy challenging work may possibly quit their jobs, hence contributing to the organisation's inability to retain staff. Development and learning opportunities also affect staff retention.

# 2.4.2.17 Development and learning opportunities

Perceived development and learning opportunities influence employee retention. Employees in their respective occupations have a need to progress and grow in their professions. If they perceive that their path to grow professionally is blocked, they become frustrated and may leave their jobs. Kyndt et al. (2009) asserted that if employees feel they are not learning and growing, they feel they are not competitive with their industry peers for promotion opportunities and career progression, and once they feel they are not growing, they will start looking externally for new job opportunities. It can be argued that strongly controlled developmental opportunities can cause employees to separate themselves from their supervisors and strongly oppose organisational objectives, which will have a negative relationship with employee retention.

On the other hand, Joao and Coetzee (2012) indicated that the provision of development and learning opportunities gives employees the impression that the organisation values them. Once employees perceive that the organisation cares for them, they will intend to stay – hence a higher retention ratio in the organisation. Employees consider their capabilities to gain on job consequences and thinking themselves responsible for career, as their advantage by acknowledging satisfaction experience whereas organisations get advantage by encompassing skilled and more

productive employees, (Fatima, 2011). The knowledge, skills, and abilities of an organisation's employees can be improved by holding career-related functions to increase the retention of the top workforce. Pleasant daily work experiences are another factor which affects staff retention.

#### 2.4.2.18 Pleasant daily work experiences

Pleasant daily work experiences have an impact on staff retention. Employees who encounter enjoyable experiences at work tend to stay longer in their current organisation because positive daily work experiences lead to motivation and job satisfaction (Michington & Morris, 2015 para. 13). The satisfaction will result in indirect employee retention by the organisation. However, employees who are faced with unpleasant daily work experiences become frustrated with their work and they end up quitting their jobs if it happens on a regular basis. The availability of team-building exercises also affects staff retention.

# 2.4.2.19 The availability of team-building exercises

Team-building exercises are activities which strive for greater cooperation, better communication, and less dysfunctional conflict in the workforce (Kreitner & Kinicki, 2010). Team-building exercises can be hosted by external consultants or organisational trainers. The emphasis of team-building exercises is more on how work groups get the job done than on the job itself. Interpersonal trust and conflict-handling techniques are distilled in employees in these sessions. When there is trust between employees, they will easily work together as a team. When conflict emerges at work, they have techniques to deal with it; therefore teamwork will not be easily disrupted. These activities influence the organisational ability to retain staff because they have a perception that the organisation cares for them. Status is another factor which affects employee retention.

#### 2.4.2.20 Status

It is human nature that every employee wants to hold a high managerial position. People like status. To employees, holding higher ranks implies that they are growing professionally. The organisation's ability to promote employees to higher positions indirectly influences tenure at the organisation. Employees who are potentially promoted will therefore remain in the organisation for a longer time because of the status they are given by the organisation. On the other hand, employees who are not given a chance or promoted to higher positions will not feel valuable to the organisation or they will feel that their energy, capabilities, and skills are not recognised by the organisation and they will decide to leave their jobs. This therefore has a negative relationship with staff retention. Factors under compensation and benefits also affect employee retention; therefore they will be discussed in detail in the next section.

### 2.4.3 Factors under compensation and benefits impacting staff retention

Compensation and benefits are the most pertinent concerns for employees and are the centre of employee relations. Compensation and benefits are the most recognised major factors among organisational retention strategies (Fatima, 2011). The first component of compensation is basic pay; which is categorised into salaries and wages. Salaries are the fixed amounts paid on a monthly basis regardless of the output produced. Wages are paid on an hourly basis according to the output produced. The second component is financial incentives; which are amounts beyond basic pay aimed at rewarding good performance. Finally, there are benefits; which are an indirect form of compensation and these are meant to provide for the welfare and security of employees.

The main objective of compensation and benefits is to attract employees; an attractive compensation package increases the attractiveness of the organisation in the eyes of potential employees. World-class performers are attracted to organisations that offer world-class salaries. The other main objective of compensation and benefits is to motivate employees; best performers want their rewards to correlate with their performance. Compensation and benefits aim to retain good employees (VisionLink Advisory Group, 2015, para. 3). Lastly, compensation and benefits are implemented to comply with the law. Factors under compensation and benefits systems are discussed in detail in the next section.

# 2.4.3.1 External equity

External equity refers to a comparison of earnings across similar jobs in the labour market (Warnich et al., 2014). For instance, a lecturer at the University of the Free State feels inequitable when comparing salaries with other lecturers at South African universities. Wage surveys provide information on what competitors offer for different jobs and historical wages in a particular labour market. According to the equity theory of motivation, employees perceive pay systems as fair when they are provided with similar earnings as their competitors. Therefore, this will motivate employees to remain in the organisation for a longer period and hence affects organisational retention positively. However, if employees feel that the organisation's pay system is not fair to them as compared to their competitors, they will feel tension and to reduce it, they will engage in activities like leaving the organisation. Inequity negatively affects organisational commitment, resulting in a negative organisational retention relationship. Internal equity is another factor under compensation and benefits which affects employee retention.

### 2.4.3.2 Internal equity

Internal equity deals with the comparison of rewards across different jobs within the same organisation. For instance, a CEO, an accountant, and an engineer in the same organisation will compare their jobs, looking at their individual input in the organisation and the output they receive in relation to their different jobs. To establish internal equity, organisations implement job evaluation, which is the process of assessing the relative value of jobs for the purpose of attaching a monetary value to the jobs. The approach of the expectancy theory of motivation is where employees compare their efforts against performance, and their performance against rewards, and adopts valence. If employees perceive that the value they receive is not related to their efforts and performance, they will feel demotivated and will experience low job satisfaction and thus may decide to leave their jobs. However, if employees feel they are equitably rewarded when they compare efforts, performance, and pay, they will be motivated and they may decide to stay with the organisation. In this situation, organisational

retention is influenced positively. Variable pay or performance-related pay under compensation and benefits also affects employee retention.

#### 2.4.3.3 Variable pay (performance-related pay)

This is a remuneration package based on the performance of the employee. Like all remuneration systems and incentives, they help the organisation to attract, motivate, and retain quality employees. Employees become motivated when they perceive a direct correlation between their pay and their performance. In order to stimulate performance in an organisation, rewards should be contingent on performance. Employees who perceive that their performance is equivalent to their earnings feel satisfied and decide to stay with the organisation for a longer period. Similarly, good performers want their rewards to be contingent on performance. Quality employees will be attracted to the organisation. Poor performers will self-select; that is, they will leave the organisation if they cannot deliver as expected.

Furthermore, performance-related pay enables employees to identify with the organisational goals and objectives. It helps especially management and good performers to know by heart the organisational goals because they share directly in the success of the goals. Once employees know exactly where the organisation is heading, they will feel motivated to stay longer with the organisation. This therefore affects staff retention positively. Performance bonuses is another factor under compensation and benefits which influence employee retention.

#### 2.4.3.4 Performance bonuses

These are rewards over and above the basic salary for recognising the good performance delivered by employees (Mphil, Ramzan, Zubair & Arslan 2014). This happens annually depending on the organisation's policies and controls. Bonuses usually depend on performance appraisal feedback. Annual bonuses stimulate employees' performance; employees who are eligible for bonuses at the end of the year due to good performance will feel obliged to stay with the organisation because of the organisation's ability to recognise their good performance. However, employees who are not eligible for bonuses due to low or poor performance may decide to leave

the organisation because some of their peers received bonuses and they did not. Therefore, this will have a negative impact on employee retention. Health benefits are another factor under compensation and benefits which affects staff retention.

#### 2.4.3.5 Health benefits

Health benefits are an indirect form of compensation, such as life and medical insurance provided to employees for continuing their employment with the organisation. For instance Sengupta (2014) indicates that health insurance shows the employee that the organisation cares about the employee and its family. These are meant to provide for the welfare and security of the employees and promote a long-term relationship between the organisation and its employees. Health benefits have a connotation to the economic exchange between the employer and employee; it appears like a gift or perceived organisational support to employees. Such benefits have a norm of reciprocity and this predicts commitment to and organisational citizenship behaviour within the organisation. The behaviour employees portray with regard to health benefits will lead to their retention by the organisation.

Furthermore, by helping employees with medical aid and exercising facilities (for example) influence healthy and happy employees who are seldom worried and such employees are more productive. Health benefits therefore compel employees to stay longer in the organisation. However, from the above facts it is implied that employers who do not provide health benefits to their employees will be faced with staff turnover and thus the inability of the organisation to retain its staff. Guaranteed base salary is another factor under compensation and benefits which affects employee retention.

#### 2.4.3.6 Guaranteed base salary

This is a fixed amount paid to the employee by the employer on a monthly basis in return for work performed. Every employee needs a job to survive; therefore, when employment conditions such as the pay system is based on performance, employees will not stay long in this kind of organisation because of possible fluctuating salaries on a monthly basis. Employees have a monthly budget which they live on, therefore

giving them differing salaries will affect their plans and hence they might decide to look for another job that will give them a fixed salary. Fixed base salaries therefore have a positive impact on staff retention. Retirement benefits are the last factor under compensation and benefits which affects staff retention.

#### 2.4.3.7 Retirement benefits

Retirement benefits refer to provident funds, pension funds, and annuities which are payable to an employee at the retirement stage. Retirement benefits increase with tenure – the number of years an employee stayed in the organisation. Therefore, retirement benefits compel employees to stay longer in organisations. This is supported by Khan (2014), who indicated that, according to Maslow's hierarchy of needs, employees must satisfy their lower-order needs before shifting to higher-level needs in the hierarchy, and the behaviour of employees is affected by unsatisfied needs. These needs, according to Maslow, are psychological needs, safety and security needs (seniority, working conditions, insurance, and retirement plans), social needs, esteem needs, and self-actualisation. However, it becomes difficult to hold on to employees who have worked for the organisation for only a few years because their retirement benefits have not accumulated to the extent that they feel they cannot leave them. This also applies to newly recruited employees; hence this will negatively affect employee retention.

#### 2.4.4 Factors under work-life balance impacting staff retention

Work-life balance is about managing and creating a conducive environment for employees who have conflicting responsibilities of work and personal responsibilities such as taking care of elders, children, and spouses. Babu and Raj (2013) stated that balancing work and personal responsibilities is a challenge which is faced by employees all over the world. The literature states that work-life balance has been an issue of concern in the world of work for the past decades. The world of work today is seen in changing demographics, the fast pace of change, constant deadlines, a coexisting virtual workplace, intense pressure, and the increased use of technology (Tara & Jyotsna, 2010). All these changes in the world of work impact and even cause

stress to employees when coupled with individual and family responsibilities. The following programmes affect employee retention:

#### 2.4.4.1 Business travel and global exposure

Business travel is more appealing to some employees; it is more motivating to employees who are single or without dependants. Therefore, organisations which do not have business travel opportunities might be at risk of losing employees, seemingly because employees are not engaged. In research conducted by Business Travel News, 71% of surveyed corporate travel managers indicated that it is positive for productivity, and more than four in five stated that business travel positively affects employees' willingness to stay in the organisation for a longer period of time (Campbell, 2012, par. 5). However, it must still be appreciated that some employees do not like travelling, especially those who are married and have to leave their families behind. Therefore there is still a possibility that such employees will miss workshops or refresher courses conducted in different countries and hence they might end up not being competitive in the workplace if this happens frequently. Incompetent staff may be retrenched by the organisation, which affects staff retention negatively.

Business travel and global exposure are not the only factors under work-life balance that impact staff retention – flexible working hours is also a factor.

#### 2.4.4.2 Flexible working hours

Flexible working hours can be used as a resource to influence job satisfaction and the quality of life for employees. Flexible hours allow employees to vary their start and finish times, provided that a certain number of hours are worked (Kar & Misra, 2013). Flexible working hours enable employees to adjust to changing situations. The arrangement of flexibility can help workers to balance their work with their personal commitments, while still accomplishing the goals and objectives of the organisation. Alternatively, organisational management can use flexible arrangements to increase productivity, influence job satisfaction, and improve employees' skills in management and leadership. Flexible schedules of working can enhance the recruitment and retention of valuable employees. The option to work in the comfort of the home is another factor under work-life balance which affects staff retention.

# 2.4.4.3 Option to work from home

Technology has made life simpler because employees can work from home, get work done, and submit their work via e-mails or other platforms. Working from home enhances work-life balance because employees are able to fulfil their family responsibilities while working. Kar and Misra (2013) stated that policies of work-life balance assists workers to manage their work and family in a better way and enhances their attitudes and behaviours such as organisational attachment, job satisfaction, and intention to stay. The above indicates that work-life balance can positively affect employee retention. Furthermore, it is implied from the above that organisations without a programme or option of employees working from home can negatively impact staff retention. Extra vacation or longer annual leave also affect staff retention under work-life balance; as discussed in the next section.

#### 2.4.4.4 Extra vacation or longer annual leave

Extra vacation days granted to employees positively impact staff retention. These extra days are perceived by employees as an indication that the employer cares for and appreciates them. Employees who are provided with longer annual leave feel that the organisation cares for them and hence it influences their motivation and is a reason for remaining in the organisation. On the other hand, employees who are not provided with extra vacation days may decide to leave the organisation, which affects staff retention negatively. Providing childcare facilities to employees also affects staff retention.

#### 2.4.4.5 Childcare facilities

For organisations to balance the work-life of its employees, it can adopt the provision of childcare facilities to its employees. This will help the organisation in the reduction of absenteeism and possible quitting of jobs because the employees' children are taken care of, even if they are ill. This is attested by Kar and Misra (2013), who stated that employees who have access to family-friendly policies indicated significantly greater organisational commitment and expressed lower intentions to leave their jobs. Therefore, the provision of childcare programmes by the employer to the employees may affect employee retention positively. Organisations that do not grant such programmes, on the other hand, may be liable to negative retention of their employees.

Lastly, in a study conducted by Vos, Meganck, and Buyens (2006), they stated that employees and employers rank these factors in a different order. This ranking has to be considered when Human Resources engage in improving employee retention. Figure 2.1 indicates this ranking.

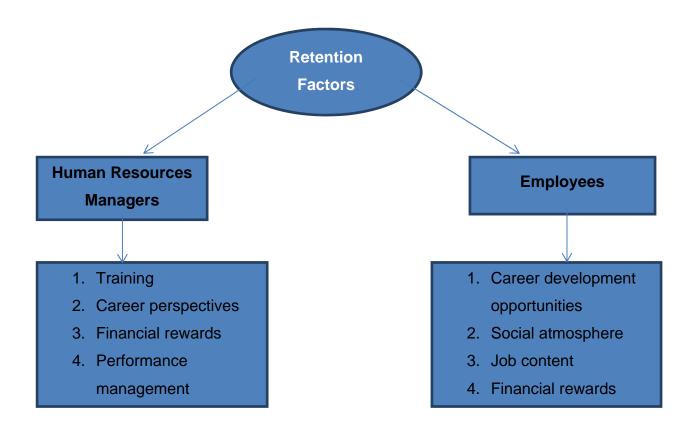


Figure 2.1: Ranking of factors

Staff retention impacts both employers and employees. These impacts are classified in terms of advantages and disadvantages as detailed next.

#### 2.5 IMPACT OF STAFF RETENTION ON EMPLOYERS

The impact of staff retention on employers are defined in terms of the advantages the employer derives from retaining staff and the disadvantages employers are faced with when they do not retain staff. The advantages and disadvantages of staff retention to employers are discussed forthwith.

#### 2.5.1 Advantages of staff retention to employers

Retaining employees ensures high performance in organisations. High performance in organisations refers to superior results which are achieved by a team with specific roles and complementary talents and skills aligned with and committed to a common goal. Masibigiri and Nienaber (2011) indicated that talented individuals and their

employment are on the forefront of business agendas to ensure high performance. Talented employees have robust methods of solving problems and conflict effectively to avoid the possibility of conflicts being bottlenecks to achieving their common goals. These superior results can be achieved further by a team with clear focus, intense energy, a collective consciousness, and shared norms and values. The team also has a strong sense of accountability for the achievement of their goals. This kind of high-performing team shows high levels of mutual trust towards each other. Therefore, great support should be provided by organisations' management by understanding the employees' working styles and providing all the necessary resources to enable them to perform better.

Retaining employees ensures employee commitment and employee loyalty, which lead to customer satisfaction or improved customer relationships with the organisation, which, to a certain extent, increases organisational profitability. This is illustrated in Figure 2.2.

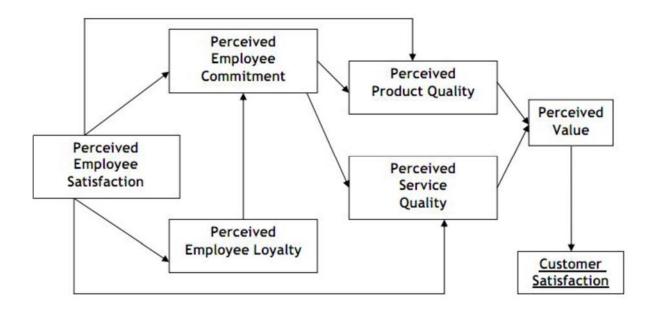


Figure 2.2: The relationship between employee commitment and loyalty and customer satisfaction

(Source: Adapted from Alharthey, Amran, & Al-Ghazani, 2013).

Acquiring talent – When organisations retain employees, they are avoiding or reducing hiring costs. Hiring costs refers to the total amount used to recruit an employee from the point of the job advertisement until the employee joins the organisation. According to Scott (2012, par. 3), employee replacement costs can be as much as 50 to 60 per cent of an employee's annual salary. Therefore, retention strategies geared to retain top talent helps offset employee replacement costs, thus reducing the indirect costs, declined productivity, and loss of clientele. Acquiring talent is not the only advantage of staff retention to employers; staff retention also reduces training and development costs.

Reduction of training and development costs – When employers retain employees, they reduce the costs of training and development. Retained employees are already trained and developed. Therefore, training and developing them are not required, which minimises costs related to training and development, and money saved from training and development can be used in other operational activities of the organisation.

Staff retention improves customer loyalty and makes an organisation an employer of choice. Customer loyalty is measured by repeat sales and thus the organisation becomes an employer of choice. Retaining top talent influences excellent service delivery, which makes customers happy. Repetitive sales by customers follow. The disadvantages of employee retention that affect employers are critically discussed next. This is backed up by Samuel and Chipunza (2009) who indicates that the issue of employee retention is also to save the organisation from loss which is to be borne and the ration of productiveness that goes down if a competent employee jumps to another organisation.

#### 2.5.2 Disadvantages of staff retention to employers

The inability of an organisation to retain its top talent leads to "brain drain". Brain drain refers to the migration of intelligent and well-educated people for better pay or working conditions. Brain drain leads to the depletion or loss of intellectual and technical personnel, with a negative outcome that impacts the economic and social growth of the country (Kerr-Phillips & Thomas, 2009). In this case, it is referred to in terms of

organisations, not countries. Another disadvantage of employee retention is staff turnover.

The inability of the organisation to retain its top talent leads to staff turnover. Employers, whose retention strategies and policies are not able to keep employees on board, are exposed to turnover. Turnover negatively influences organisational performance and capabilities.

Retaining employees may lead to situations whereby some employees are redundant. In this case, there are more human resources than work.

The retention of employees may lead to high costs due to too many employees. Retaining more people than necessary or required by the organisation may lead to high costs being incurred. Every employee has to be paid a salary or wages. When the retention strategy has not been aligned with the organisational goals and objectives, it means more employees must be maintained – thus increasing the monthly wages or salary bills.

Lastly, production may decrease or be stagnant. Employee retention may lead to decreased or stagnant outputs. This happens when employee retention is not appropriately aligned with the workforce demand of the organisation.

#### 2.6 IMPACT OF STAFF RETENTION ON EMPLOYEES

Staff retention also has an effect on employees. The impacts are described in terms of advantages and disadvantages.

#### 2.6.1 Advantages

Compensation and benefits – Employees who are retained are compensated on a monthly basis to sustain their living expenses.

Promotion – There is a possibility of retained employees being promoted if required, depending on their organisations. This means they will grow professionally.

#### 2.6.2 Disadvantages

The possibility of low morale amongst retained employees – In cases where some employees have been laid off, the remaining employees will not be at ease at work, leading to low motivation and little job satisfaction.

There is a possibility that retained employees will not be trained and developed in the organisation. The remaining employees are often assumed to be knowledgeable of the systems the organisation utilises; hence they might end up not being trained even when new systems are introduced.

# 2.7 METHODS OF IDENTIFYING RETENTION STRATEGIES IN THE ORGANISATION

Retention strategies can be identified through methods such as exit interviews, employee surveys, attitude surveys, and employee retention consultants. These strategies are discussed next.

#### 2.7.1 Exit interviews

An exit interview is a survey which is carried out when an employee separates from an organisation. Wilton (2011) indicated that data or leavers' questionnaires can be used to assess the reasons why employees leave organisations. Information gathered from exit interviews can be used to advise management on improving or upgrading retention strategies. This information can reduce staff turnover, and increase productivity and engagement. Exit interviews are not the only method of identifying retention strategies in the organisation – employee surveys are another method.

#### 2.7.2 Employee surveys

Employee surveys give insights on the motivation, engagement, and satisfaction of employees. Management will therefore have sufficient information on what motivates and satisfies employees. Identifying retention strategies in the organisation can also be achieved through the attitude survey method.

#### 2.7.3 Attitude surveys

Attitude surveys are described by Wilton (2011) as a form of risk assessment which provides organisations' management with information regarding the possibility that workers will leave the firm so as to assess the potential consequences of turnover. A well-established attitude survey will inform management of what employees think about their jobs and the work environment. It also gives employees a safe platform to voice their concerns, which equips employers with better knowledge on how to create the required work environment. The last method of identifying retention strategies in organisations is through the employee retention consultant method.

#### 2.7.4 Employee retention consultant

This refers to an expert who gathers information within the organisation on all issues related to staff turnover. Once all the issues have been identified, the consultant can advise management on programmes or organisational changes to address these issues. The consultant sometimes assists in their implementation.

#### 2.8 IMPROVING STAFF RETENTION

Loquercio (2006) stated eight elements which have been proven to play important roles in improving employee retention:

- During the recruitment process, provide prospective employees with a realistic job preview.
- Line managers should be made accountable and responsible for staff turnover
  in their respective teams. Line managers who have a good record of
  maintaining their employees should be rewarded and this should be
  incorporated as a subject in their appraisals. Line managers should be trained
  in effective supervision before they are appointed or promoted as/to managers.
  Current line managers who do not have a good record of retaining their staff
  must receive training.

- Maximise opportunities for employees to develop their skills and capabilities
  and progress in their careers. Where promotions are not possible in the
  organisation, look for sideways movements that can vary the experience of the
  employees and make the job more interesting for them.
- Ensure that employees have a voice through their consultative bodies, regular appraisals, attitude surveys, and grievance systems. This will enable that employees who are not satisfied have every chance to sort out problems before resigning or quitting their jobs.
- If employees require working flexi-hours, accommodate their preference. If employees are forced to work hours that do not suit their domestic commitments, they will look for another job which can grant such working schedules.
- Discourage the tendency of presentism where employees feel the need to work longer hours than necessary just to impress management.
- Provide as much as possible job security to employees. Employees who are
  made to feel that their jobs are precarious may put more emphasis on
  impressing; however, they may look out for more secure jobs at the same time.
  Most employees value stability and security of their jobs.

Ensure that employees perceive that management is not seen discriminating against employees. A perception of unfairness by employees, regardless of the reality from management perception, is a main cause of voluntary turnover.

Staff retention can be improved by the join, stay, and leave model. This model states why people join organisations and stay in or leave organisations. This model will be discussed in line with employee retention best practices.

#### 2.8.1 Why employees join organisations

Employees join organisations because of their attractiveness. The recruitment of employees is just as difficult as retaining them. Therefore, when hiring employees, the employer must have a clear understanding of what employees are looking for, while on the other hand, ensuring that the employer's expectation is met. Therefore, it is

important to do it correctly in the beginning stage. During the recruitment process, the presentation of realistic job previews has a positive effect on retaining new recruits. Getting the hiring decision right enables personal fit between the employee and the organisation. That is, there is person-job fit and person-organisational fit. It also helps the organisation to avoid poor performers, as it should be noted that poor performers have no incentive to leave the organisation. There are selection tools which are used to predict job performance and which lead to the retention of employees. These tools include, but are not limited to, employment tests, interviews, and résumés; and as such, if these tools are employed by the organisation, they should be reliable and valid.

#### 2.8.2 Why employees stay in organisations

Understanding why employees stay in the organisation for a long time is similar to understanding why they leave the organisation. To improve staff retention, management has to firstly understand employees' aspirations for the future, their current needs and preferences, and what they enjoy about their work and what the best aspects of their jobs are. Management should also seek to understand what causes employees to leave and what could be done to decrease staff retention. This should be in the form of questions to employees. The management will analyse all the factors from the employees' "voices" and try to meet and stimulate all the aspects expected from employees.

# 2.8.3 Why employees leave organisations

Organisations can provide for their current employees and discourage future decisions to leave the organisation only if they understand why employees leave. Exit interviews remain the most important tool to finding out why employees leave. Research indicates that more often employees leave their organisations because of better pay elsewhere or better opportunities in other countries, concerns about the direction of the organisation and its leaders and lack of promotional opportunities, (Scott, McMullen & Royal, 2012). However, these answers call upon management to deeply investigate core issues; perhaps asking neutral personnel to investigate would give employers secretive answers relating to the relationship between employees and the immediate supervisor, which are accurate and quantifiable. Understanding all critical reasons why

employees leave an organisation will assist management to put forward measures of decreasing this in the future.

#### 2.9 MODELS OF EMPLOYEE RETENTION

Different researchers have developed various models of retentions strategies; two of which are discussed as follows.

Shanghvi (2012) developed and proposed a model of employee retention when attempting to retain migrant recruits and other multicultural employees. This cross-sector model concentrates on four classifications; which are job, culture, personal, and external.

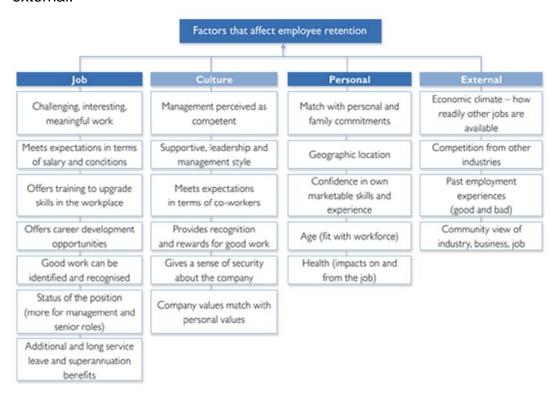


Figure 2.3: Shanghvi's cross-sector model

# (Shanghvi, 2012)

Rollo and Bens (2003) developed the Employee Retention Connection (ERC) retention model. In this model, they indicated that employee retention is driven by three primary drivers; which are stimulating work, motivational leadership, and recognition

and reward. The ERC retention model transforms the organisational culture and enhances competitive edge through five steps, as indicated in Figure 2.4.



Figure 2.4: The ERC retention model

(Source: Rollo & Bens, 2003)

The Integrated Retention System for retaining employees has five steps as detailed below by (Rollo & Bens, 2003). The first step deals with analyses of organisation's motivation and retention culture through surveys and focus groups. The second step develops and designs high involvement jobs and work packages that include opportunities to learn a wide variety of tasks and skills, give feedback on results, and provide authority to make decisions. The third step deals with training supervisors and managers in proven methods of motivational leadership; for instance, inspiring the shared vision and direction and recognising and appreciating employee contributions. The fourth step of this model deals with delivering a plan for employee career paths and skills development. This includes activities such as planning training for employees to build competencies and identifying competencies for different career paths. Lastly, a tailored reward and recognition system is developed to fit the organisation culture.

#### 2.10 SUMMARY OF CHAPTER 2

This chapter described employee retention and its important components. The importance or value of employees was assessed and discussed. The chapter also dealt with factors that impact staff retention; namely the organisational environment, the development environment, compensation and benefits, and work-life balance. The impact of staff retention on both employees and employers were critically analysed in terms of advantages and disadvantages. Methods of acquiring information from current employees and exiting employees were analysed. Lastly, improving retention in organisations and models of retention were discussed.

# CHAPTER 3 RESEARCH METHODOLOGY

#### 3.1 INTRODUCTION

Research methodology is defined by Rajasekar, Philominathan, and Chinnathambi (2013) as a systematic way to solve a problem; the procedures which researchers employ to describe, explain, and predict phenomena; and it can also be described as a study of methods by which knowledge is gained.

The purpose of this chapter is to provide the research methodology used in the study. The research design, sampling strategy, data-gathering method, ethical considerations, and statistical analysis employed in order to provide an evaluation of staff retention for World Vision International Lesotho, are discussed.

#### 3.2 RESEARCH DESIGN

The research design directs an experiment by orchestrating data collection, defining the statistical analysis of the resultant data, and guiding the interpretation of the results (Knight, 2010). The significant function of the research design is to ensure that the evidence obtained enables researcher to respond to the preliminary question as unambiguously as possible. Obtaining appropriate evidence entails specifying the type of evidence required to respond to the research question. This follows that research designs only work with logical problems. It is noted that more often researchers have a tendency of setting questionnaires or collecting data too early – even before thinking what information is needed to respond to the research questions. Therefore, it is important that the research design aspects are dealt with at the beginning as failure to do so leads to weak and unconvincing conclusions drawn.

Blumberg, Cooper, and Schindler (2005) defined the research design as the plan and structure of investigation so conceived as to obtain answers to research questions. Plan in this case refers to the complete programme of the research. Structure refers

to the framework and the organisation of the relationships among the variables of the study.

The definitions seem to differ in detail; however, they provide the fundamentals of the research design, which are as follows:

- Design's ability to outline procedures for every research activity.
- Design is an activity and a plan which is time based.
- The design is always based on the research question.
- The design guides the selection of sources and types on information.
- It is a framework for specifying the relationships among the variables of the study.

#### 3.2.1 Quantitative research design

The study followed a quantitative research design approach in order to evaluate the staff retention at World Vision International Lesotho. Quantitative research design dealt with quantifying relationships between variables. Cohen, Manion, and Morison (2005) defined quantitative research as explaining phenomena by collecting numerical data that are analysed using statistically based methods. A phenomenon is referred to as a key element of research; therefore, in this study the key element is staff retention. Phenomena can be either quantitative or qualitative in nature. In short, quantitative research is about collecting numerical data to explain a certain phenomenon.

The quantitative research view is described as realistic, meaning that the research has uncovered the existing reality. The truth of the phenomenon is there; therefore the work of the researcher is to uncover the reality of the matter through the implementation of research methods. This implies that the researcher was not detached from the research. The methods applied maximised objectivity and minimises the involvement of the researcher in the study.

Quantitative research was used in this study because of the following benefits, as detailed by Matveev (2002):

- It states the research problem in very specific and set terms.
- It firmly follows the original set of research goals, arriving at more objective conclusions, tests hypotheses, and determines issues of causality.
- It clearly and precisely specifies both the independent and the dependent variables under study.
- It achieves high levels of reliability of the gathered data due to controlled observations, laboratory experiments, mass surveys, or other forms of research manipulations.
- It eliminates or minimises subjectivity of judgment.
- It allows for longitudinal measures of subsequent performance of research subjects.
- It is also useful when studying a large number of people.
- The analysis of data is less time consuming when using statistical software.

Although quantitative research seems to be appropriate for this study, this method has some limitations; as follows:

- In cases where studied key element happens, this method fails to provide the researcher with information on the context of the situation.
- Knowledge produced might be too abstract and general for direct application to specific local situations, contexts, and individuals.

#### 3.3 SAMPLING STRATEGY

According to Sekaran and Bougie (2013), there are two major types of sampling design; namely probability and nonprobability sampling. Probability sampling refers to a sample where each element has a known and not a zero chance of being selected in the sample. In non-probability sampling, the units of analysis do not have equal probability and therefore do not have an equal chance of being selected in the sample. For the purpose of this study, simple random sampling was used. This method of

sampling allows every element to have an equal or known chance of being selected as a research subject.

According to Blumberg et al. (2005), there are questions under simple random sampling which need to be answered in order to build the sample. These questions are:

- What is the relevant population?
- What are the parameters of interest?
- What is the sampling frame?
- What is the type of sample?
- What sample size is needed?
- How much will it cost?

The relevant population sometimes stems from the problem statement or research question(s). Population parameters are summary descriptors such as incidence and mean of variables of interest in the population. A list of elements from which the sample is selected, is referred to as the sampling frame.

The advantages of simple random sampling are as follows:

- The sample remains represented if all subjects take part.
- It is free from classification errors.
- The sampling design offers the most generalisability of the results to the whole population.
- It enables easy assembly of the sample as it is considered a fair way of selecting the sample from a given population because every member has an equal chance of being selected.

#### 3.3.1 Population and sample size

Population refers to the entire group of people, events, or particular things of interest the researcher wants to study. Therefore, the population and population size of this study was all 205 employees as provided by the Human Resource Office of World Vision International Lesotho. A sample is a subset of the population. The sample includes some members selected from the population. Therefore, the population size which the researcher referred to is 205 employees. The same population formed the researcher's sample; meaning that all the elements in the population were selected to form the sample of the study and the sample size is therefore 205 employees.

#### 3.4 DATA GATHERING

Data gathering or collection is a very important part of this study. There are a number of data-collection methods which are listed by Sekaran and Bougie (2013); namely interviews (face-to-face interviews, telephone interviews, computer-assisted interviews, and electronic media interviews); observation of individuals and events (with or without videotaping or audio recording); questionnaires (which can be personally administered, sent through the mail, or electronically administered); and a variety of motivational techniques such as projective tests. This study employed questionnaires sent via e-mail to collect data.

#### 3.4.1 Questionnaires

Closed-ended questionnaires were used to conduct research. These are the type of questionnaires which limit respondents to a set of alternatives provided (Reja, Manfreda, Hlebec, & Vehovar, 2003). The questionnaires used in this study were based on a four-point scale where respondents indicated for each statement whether they d=strongly disagree, c=disagree, b=agree, or a=strongly agree. These questionnaires (see Appendix 3) were sent via e-mail to World Vision International Lesotho staff. Respondents' e-mail addresses were provided to the researcher by World Vision International Lesotho's Human Resource Office. The questionnaire included a cover page, which indicated the purpose and importance of the study to the respondents. Respondents were given ten days to respond to the questionnaires and to send their responses back to the researcher.

#### 3.4.2 Advantages of closed-ended questionnaires sent via e-mail

The advantages of closed-ended questionnaires sent via e-mail are as follows (Sekaran & Bougie, 2013):

- Wide geographic regions can be reached at very low cost.
- Token gifts can be enclosed to motivate compliance.
- Respondents can take more time to respond at their convenience; giving wellthought-out answers.
- The level of secrecy is high.
- Close-ended questionnaires are easily analysed as answers are given a value to enhance the application of statistical interpretation.
- Close-ended questionnaires also take less time of the respondent to complete and less time for the researcher to analyse – hence it is a cheaper survey method.
- Respondents who are hard to approach can be reached conveniently.
- This method also allows freedom from bias of the researcher, as answers are in the respondents' own words.
- This method allows for the use of large samples, thus the results are more dependable and reliable.

#### 3.4.2 Disadvantages of closed-ended questionnaires sent via e-mail

The disadvantages of closed-ended questionnaires sent via e-mail are as follows (Sekaran & Bougie, 2013):

- The level of response is often low; however, a 30% response rate is quite acceptable.
- The researcher has no option to clarify questions.
- It is often not easy for the researcher to follow up on non-responses.
- Due to the nature of closed-ended questions, which have limited answers, it may not provide the respondents with choices that actually reflect their real feelings.

 These kinds of questionnaires do not provide respondents with the opportunity to explain that they do not understand the question or in actual fact that they do not have an answer to the statement.

#### 3.5 ETHICAL CONSIDERATIONS

Resnik (2011, par. 1) defined ethics as norms of conduct that distinguish between acceptable and unacceptable behaviour. Ethics should be considered in conducting research because, firstly, ethics enhances the aims of the study, such as knowledge avoidance of error and truth. Secondly, norms promote values which are significant to coordinate work, such as trust, accountability, fairness, and mutual respect. This is so because research, in its nature, often involves a lot of cooperation and coordination among many different disciplines and stakeholders. Thirdly, ethical standards assist in ensuring that researchers are held accountable to the public. Fourthly, norms of conduct in research help in building public support for a study. There may be an opportunity to fund the research by different people if they can trust the quality and integrity of the research. Lastly, norms encourage other vital related moral and social values, such as social responsibility and compliance with the law and other standards. The following ethical considerations were applied in this study:

- Prior permission (see Appendix 1) was sought from World Vision International Lesotho's management to conduct the study. This was done mainly to allow the collection of data and to gain support from the management. The management provided the researcher with the respondents' e-mail addresses and influenced employees to complete the questionnaires.
- The researcher was honest about the purpose of the study, its importance, how
  the information was to be used, and who had access to the data. All this
  information appeared on the cover page of the questionnaire.
- The e-mail (see Appendix 2) sent to respondents assured them of the confidentiality of their information and responses and the researcher undertook that such information would not be presented to anyone. Adams and Collahan (2014) indicated that there should be a statement that describes the procedures

in place to ensure the confidentiality of the data and the anonymity of the respondents.

- The respondents were treated with respect, and the researcher avoided sensitive questions in the questionnaire.
- The language used in the questionnaire was easily understood by the respondents.
- The results were accurately reported as they were. Driscoll and Brizee (2012) indicated that results should accurately represent what has been observed and told.
- The researcher did not attempt to assist or influence the respondents in answering the questions, and could not do so because the questionnaires were sent via e-mail.

#### 3.6 STATISTICAL ANALYSIS

Data collected was coded by assigning a specific number to each of the respondent responses; this enabled easy capturing into the database. Coding is defined by Greener (2008) as a way of enlisting computer analysis techniques which involve using a spreadsheet, such as Microsoft Excel. For this study, the responses were entered into a database/template provided by a statistician. After the data were entered in, they were edited.

Data editing involves dealing with blank responses and following up inconsistent data. Data editing in this study entailed detecting and correcting illogical, inconsistent, or illegal data and omissions in the information returned by the respondents of the research. Sekaran and Bougie (2013) defined an illogical response as an outlier response, while inconsistent responses are responses that are not in harmony with the information, and illegal codes are values that are not specified in the coding instructions. After completion of the data editing, the data were varied from the original numerical representation of quantitative values to another.

The transformed data were analysed on the basis of the variables through the Statistical Package for the Social Sciences (SPSS) and Excel. Sekaran and Bougie

(2013) described SPSS as a data management and analysis program designed to perform statistical data analysis; including descriptive statistics such as plots, frequencies, charts and lists, as well as sophisticated inferential and multivariate statistical procedures like analysis of variance (ANOVA), factor analysis, cluster analysis, and categorical data analysis.

For the purpose of this study, the results were presented in descriptive statistics in the form of tables, bar charts, and pie charts. The purpose of the tables is to list categories (types of responses) and the number of people who responded to each. Bar charts and pie charts are more often used for nominal or ordinal variables (Greener, 2008).

#### 3.7 SUMMARY OF CHAPTER 3

The purpose of this chapter was to describe the methodological procedure used in conducting the study. The research sought to provide an evaluation of employee retention in a selected non-governmental organisation in Lesotho. The research also sought to provide an overview of staff retention, discover major causes of staff retention, and determine the retention trends within the organisation. The type of sampling that was used was simple random sampling, which enabled every respondent to participate. Data were collected through closed-ended questionnaires e-mailed to respondents. The statistical analysis was performed with SPSS and Excel by a Statistician at the University of the Free State.

# CHAPTER 4 FINDINGS

#### 4.1 INTRODUCTION

The questionnaires were distributed to World Vision International Lesotho's staff via e-mail. The questionnaires were used to understand the major factors affecting staff retention at World Vision International Lesotho and to identify possible retention trends in the near future. Furthermore, a correlation was made between retention trends to each of the factors. It was also implicit for the researcher to understand and evaluate the impact of staff retention on the jobs and employees.

Therefore, this chapter presents the specific results of the survey, followed by a discussion of the results. The discussion identifies the major factors that affect staff retention, retention trends, and the impact of staff retention on the operations of World Vision International Lesotho and its employees.

#### 4.2 THE SURVEY QUESTIONNAIRE

This part of the chapter registers the data collected in the survey of World Vision International Lesotho's staff and detail-specific credentials about employees in the organisation. One hundred and twenty (120) employees out of the targeted 205 responded to the questionnaire; hence a response rate of 59%. To draw substantive conclusions, descriptive and inferential statistics were computed and analysed from the data.

#### 4.2.1 Demographical characteristics

In this section, the various biographical characteristics of the respondents will be discussed and represented graphically.

## 4.2.1.1 Gender of respondents

Figure 4.1 represents a graphical representation of the sample by gender.

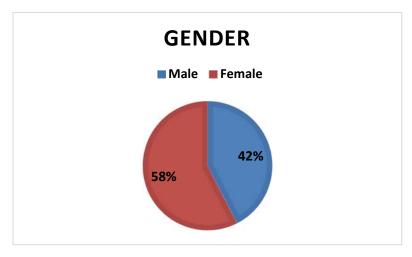


Figure 4.1: Sample by gender

From Figure 4.1 it can be concluded that 58% of the sample consisted of females and 42% of males.

## 4.2.1.2 Tenure of respondents in the organisation

Figure 4.2 provides a graphical representation of the tenure of the sample in the organisation.



Figure 4.2: Sample by tenure

From Figure 4.2 it can be concluded that 44% of the sample has been in the organisation for one to five years; 29% of the sample has been in the organisation for six to ten years; 19% of the sample has been with the organisation for 11 to 15 years, and 9% have been in the organisation for 16 to 20 years.

### 4.2.1.3 Tenure of respondents under their respective supervisors

Figure 4.3 presents a graphical representation of the period the sample population has reported to their supervisor in the organisation.

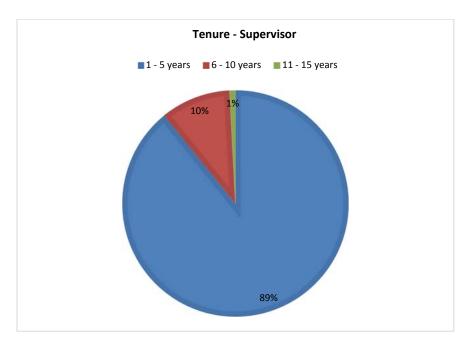


Figure 4.3: Tenure under supervisors

From figure 4.3, it can be concluded that 89% of the sample reported to their supervisors for one to five years, 10% of the sample reported to their supervisors for six to ten years, while 1% of the sample reported to their supervisors for 11 to 15 years.

## 4.2.1.4 Respondents by age

Figure 4.4 gives a graphical representation of the sample by age.

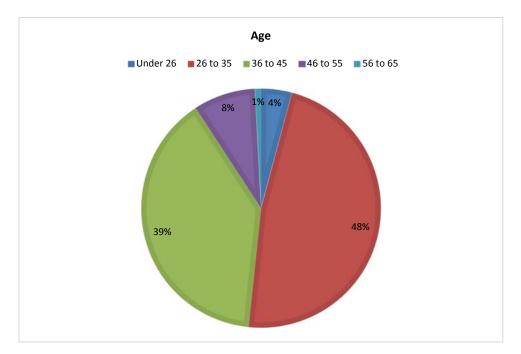


Figure 4.4: Sample by age

From Figure 4.4 it can be concluded that 48% of the sample is aged between 26 to 35 years, 39% of the sample is aged between 36 to 45 years, 8% of the sample is aged between 46 to 55 years, 4% of the sample is aged 26 years and below, and 1% of the sample is aged between 56 to 65 years.

### 4.1.2.5 Respondents by education

Figure 4.5 is a graphical representation of the sample by education.

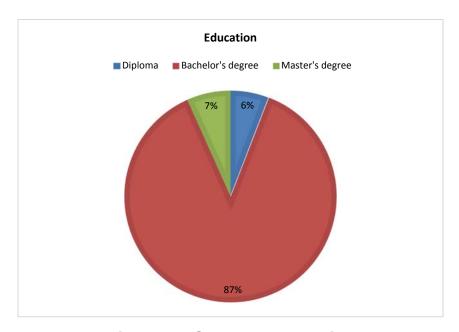


Figure 4.5: Sample by education

From Figure 4.5 it can be concluded that 87% of the sample holds bachelor's degrees, 7% of the sample holds master's degrees, and 6% of the sample holds diplomas or certificates.

### 4.2.2 Analysis of retention factors

The study focuses on four broad factors; which are organisational environmental factors, developmental environmental factors, compensation and benefits factors, and work-life balance factors. The component under each broad factor was measured on a four-point Likert scale. The scale used to interpret the components ranged from one to four; with one corresponding to strongly disagree, two corresponding to disagree, three corresponding to agree, and four corresponding to strongly agree.

## 4.2.2.1 Analysis of retention factors based on organisational environmental factors

The data on factors affecting staff retention based on organisational environmental factors were analysed by examining frequency distributions.

Figure 4.6 represents the percentage distributions of organisational environmental factors affecting staff retention.

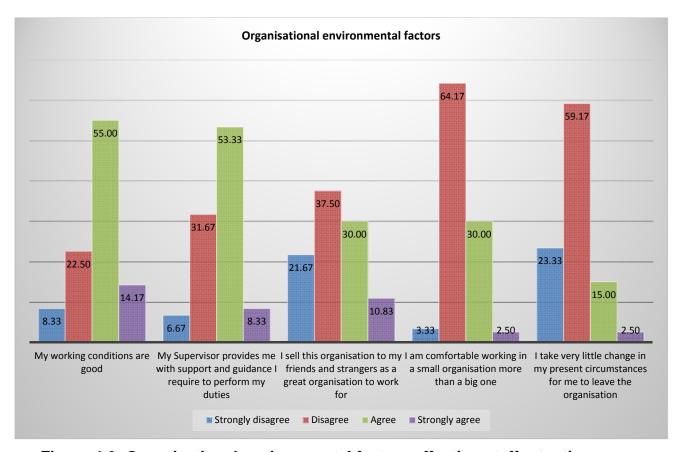


Figure 4.6: Organisational environmental factors affecting staff retention

Figure 4.6 indicates that 8.33% of respondents were strongly dissatisfied with their working conditions, 22.5% of the respondents were dissatisfied with their working conditions, 14.17% of respondents were strongly satisfied with their work conditions, and 55% of the respondents were satisfied with their current working conditions.

Of the respondents, 6.67% were strongly dissatisfied with the support and guidance their supervisors provided to perform their duties, and 31.67% of the respondents were

dissatisfied with the support and guidance they received from their supervisors to perform their duties. Of the respondents, 8.33% were happily satisfied with the support and guidance their supervisors provided to perform their duties, and 53.33% of the employees were satisfied with the support and guidance from their supervisors.

From Figure 4.6, the descriptive statistics indicate that 21.67% of the respondents did not strongly sell the organisation to their friends and strangers as a great organisation to work for, and 37.5% of the respondents did not sell the organisation. However, 10.83% of the respondents strongly agreed that they promoted the organisation to their friends and strangers as a great organisation to work for, and 30% of the respondents agreed to the same.

Furthermore, 3.33% of the respondents strongly disagreed that they were comfortable working in a small organisation more than in a big one and 64.17% of the respondents disagreed. On the other hand, 2.5% of the respondents strongly agreed that they were comfortable working in a small organisation more in than a big one and 30% of the respondents agreed with the statement.

Lastly, 23.33% of the respondents strongly disagreed with the statement that it would take a very small change in their present circumstances to cause them to leave the organisation, while 59.17% of the respondents disagreed with the statement. Of the respondents, 2.50% strongly agreed that it would take a very small change in their current circumstances to cause them to leave the organisation, and 15% of the respondents agreed with the statement.

From the above analysis, it can be concluded that from the organisational environmental factors, working conditions, support and guidance from respective supervisors, and the size of the organisation are the factors which take the lead in retaining employees at World Vision International Lesotho.

## 4.2.2.2 Analysis of retention factors based on developmental environmental factors

The data on factors affecting staff retention based on developmental environmental factors were analysed by examining frequency distributions.

Figure 4.7 represents the percentage distributions of developmental environmental factors affecting staff retention.

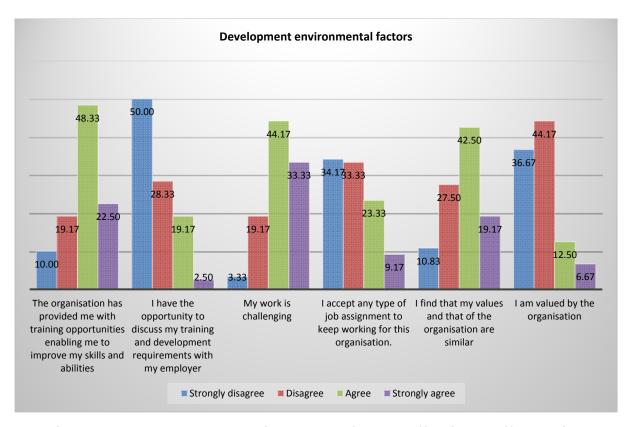


Figure 4.7: Development environmental factors affecting staff retention

From the above results, 10% of the respondents strongly disagreed that the organisation provided them with training opportunities enabling them to improve their skills and abilities, 19.17% of the respondents disagreed that the organisation provided them with training opportunities, while 22.50% of the respondents strongly agreed that the organisation provided them with training opportunities, and 48.33% of the respondents agreed with the statement.

The descriptive statistics indicate that 50% of the respondents strongly disagreed that they had the opportunity to discuss their training and development requirements with their employer, and 28.33% of the respondents disagreed with the statement. Of the respondents, 2.50% strongly agreed that they had the chance to discuss their training and development requirements with the employer, and 19.17% of the respondents indicated that they had the chance to discuss their training and development requirements with the employer.

On a similar note, 3.33% of the respondents strongly disagreed that their work was challenging, and 19.17% of the employees disagreed with the statement. Only 33.33% of the respondents strongly agreed that their work was challenging, and 44.17% of the respondents agreed.

Furthermore, 34.17% of the respondents strongly disagreed that they accepted any type of job assignment to keep working for the organisation, and 33.33% of the respondents disagreed with the statement. On the other hand, 9.17% of the respondents strongly agreed that they accepted any type of job assignment to keep working for the organisation, and 23.33% of the respondents agreed with the statement.

Of the respondents, 10.83% strongly disagreed that their values and that of the organisation were similar, and 27.30% disagreed with the statement. A mere 19.17% of the respondents strongly agreed that their values were similar to those of the organisation, while 42.50% of the respondents agreed with the statement.

Lastly, 36.67% of the respondents strongly disagreed that they were valued by the organisation, and 44.17% of the respondents disagreed. Of the respondents, 6.67% strongly agreed that they were valued by the organisation, and 12.50% of the respondents felt that the organisation valued them.

From the analysis, it can be concluded that – from the development environmental factors – the provision of training opportunities, challenging work, and similarity of employees' values to that of the organisation are the main factors in this perspective for retaining employees. On the other hand, the inability of World Vision International

Lesotho to provide employees with a platform to discuss together with their supervisors their training and development requirements and its failure to value employees may lead to employees' departure.

## 4.2.2.3 Analysis of retention factors based on compensation and benefits factors

The information on factors affecting staff retention based on compensation and benefits factors was analysed by examining frequency distributions.

Figure 4.8 presents the percentage distributions of compensation and benefits factors affecting staff retention.

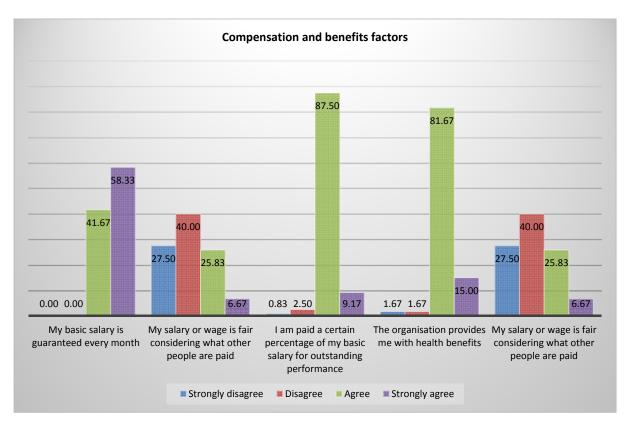


Figure 4.8: Compensation and benefits factors affecting staff retention

From the above descriptive information, it is clear that a basic salary for every respondent is guaranteed every month. However, there is a differing range on the level of agreement to the statement, as 58.83% of the respondents strongly agreed and 41.67% of the respondents only agreed that their salary was guaranteed every month.

It was further extracted that 27.50% of the respondents totally disagreed that their salary or wage was fair considering what other people were paid, while 40% of the respondents disagreed with the statement. On the same point, 6.67% of the respondents strongly agreed that their salary or wage was fair compared to what other people were paid; 25.83% of the respondents agreed with this statement.

From the aforementioned data, 0.83% of the respondents indicated that they strongly disagreed with the statement that they were paid a certain percentage of their basic salary for outstanding or perfect performance, and 2.50% of the respondents disagreed with this statement. On the same note, 9.17% of the respondents strongly agreed that they were paid a certain percentage of their basic salary for outstanding performance, while 87.50% of the respondents agreed with the statement.

Finally, 1.67% of the respondents strongly disagreed that the organisation provided them with health benefits, and 1.67% of the respondents disagreed. While 15% of the respondents strongly agreed that the organisation provided them with health benefits, 81.67% of the respondents agreed that they were granted health benefits by the organisation.

From the analysis based on compensation and benefits factors, it can be concluded that a basic salary provided to employees on a monthly basis, the organisation's ability to recognise outstanding performance, and the provision of health benefits are the main factors retaining employees in this section. However, World Vision International Lesotho fails to provide competitive salaries; hence employees might leave because of this failure.

### 4.2.2.4 Analysis of retention factors based on work-life balance factors

The information on factors affecting staff retention based on work-life balance factors was analysed by examining frequency distributions.

Figure 4.9 presents the percentage distributions of work-life balance factors affecting staff retention.

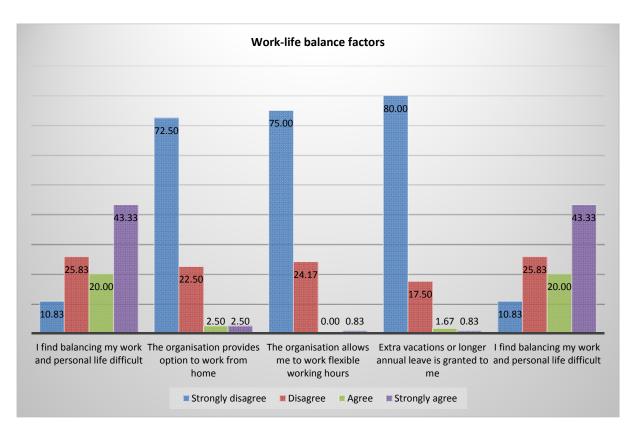


Figure 4.9: Work-life balance factors affecting staff retention

The results as indicated in Figure 4.9 show that 10.83% of the respondents did not find it difficult to balance their work and personal life, and 25.83% of the respondents disagreed with the statement. Of the respondents, 43.33% strongly agreed that it was difficult to balance their work and personal life, and 20% of the respondents agreed with the same.

Of the respondents, 72.5% strongly disagreed that the organisation provided them with the option to work from home, and 22.5% of the respondents disagreed. Only 2.5% of the respondents strongly agreed that the organisation provided them with the option to work from home, and 2.5% of the respondents agreed.

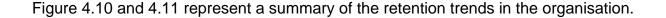
Seventy-five per cent (75%) of the respondents strongly disagreed that the organisation allowed them to work flexible hours, while 24.17% of the respondents disagreed with the statement. Only 0.83% of the respondents agreed that the organisation allowed them to work flexible hours.

Finally, 80% of the respondents strongly disagreed that extra vacation or longer annual leave was granted to them, and 17.5% of the respondents disagreed with the statement. A mere 0.83% of the respondents strongly agreed that they were granted extra vacation or longer annual leave, and 1.67% of the respondents agreed with the statement.

In conclusion, the analysis of work-life balance factors clearly indicates that World Vision International Lesotho employees' work-life is not balanced. Employees are not able to balance their personal life and their work life. This is mainly because the organisation does not allow its employees to work from home nor work flexible hours, and only provided extra vacation days where there was a demanding need or requirement from the employees.

### 4.2.3 Analysis of retention trends

This section of the chapter focuses on the analysis of the possible retention trends within the organisation. It details whether employees are interested in staying with the organisation or not.



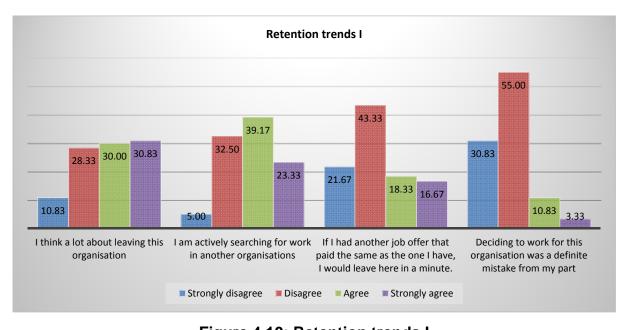


Figure 4.10: Retention trends I

The descriptive statistics reveal that 10.83% of the respondents were definitely not thinking about leaving the organisation, and 28.33% of the respondents did not have plans to leave the organisation. However, 30.83% of the respondents were strongly considering leaving the organisation, and 30% of the respondents agreed that they were thinking about leaving the organisation.

Five per cent (5%) of the respondents strongly disagreed that they were actively searching for work in other organisations, and 32.5% of the respondents disagreed with the statement. Of the respondents, 23.33% strongly admitted that they were actively searching for work in other organisations, and 39.17% of the respondents agreed that they were looking for jobs in other organisations.

Of the respondents, 21.67% strongly disagreed that they would leave the organisation if they found a job offer with similar pay, while 43.33% of the respondents disagreed with the statement. Of the respondents, 16.67% strongly agreed that if they had another job offer that paid the same as the one they had, they would leave immediately, and 18.33% agreed with the statement.

Of the respondents, 30.83% strongly disagreed that deciding to work for the organisation was a definite mistake on their part, and 55% of the respondents disagreed with the statement. Only 3.33% of the respondents strongly agreed that deciding to work for the organisation was a definite mistake on their part, and 10.83% of the respondents agreed.

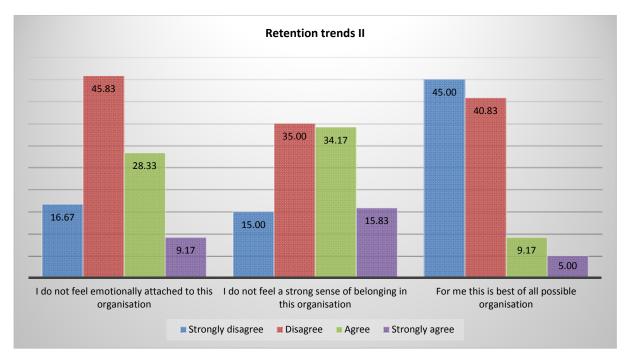


Figure 4.11: Retention trends II

According to the descriptive statistics, 16.67% of the respondents strongly disagreed that they did not feel emotionally attached to the organisation and 45.83% of the respondents disagreed with the statement. While 9.17% of the respondents strongly agreed that they did not feel emotionally attached to the organisation, 28.33% of the respondents agreed.

Fifteen per cent (15%) of the respondents strongly disagreed that they did not feel a strong sense of belonging in the organisation, and 35% of the respondents disagreed. However, 15.83% of the respondents strongly admitted that they did not feel a strong sense of belonging in the organisation, while 34.17% of the respondents agreed with the statement.

Lastly, 45% of the respondents strongly disagreed that the organisation was the best possible organisation for them and 40.83% of the respondents disagreed similarly. However, 5% of the respondents strongly agreed that World Vision International Lesotho remained the best possible organisation, and 9.17% of the respondents agreed similarly.

#### 4.2.4 Analysis of the impact of staff retention

This particular section of the chapter details the impact of staff retention on both the operations of the organisation under study and its employees.

Figure 4.12 and 4.13 represent the impact of staff retention on both the organisation and the employees.

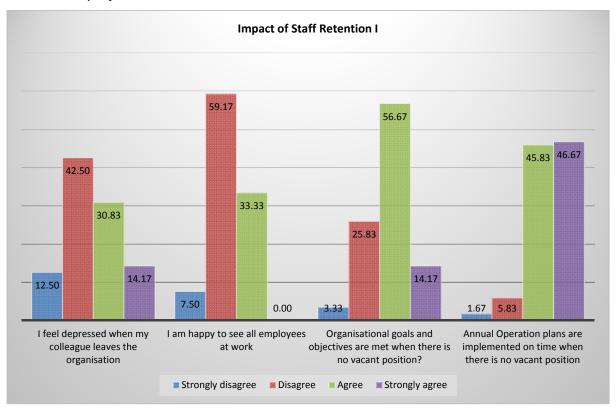


Figure 4.12: Impact of staff retention I

The results indicate that 12.50% of the respondents strongly disagreed that they felt depressed when colleagues left the organisation, and 42.50% of the respondents disagreed. While 14.17% of the respondents strongly agreed that they felt depressed when their colleagues left the organisation, 30.83% of the respondents agreed with the statement.

Of the respondents, 7.5% strongly disagreed that they were happy to see all employees at work, and 59.17% of the respondents disagreed with the statement. However, 33.33% of the respondents agreed that they are happy to see all employees at work. Nobody strongly agreed.

Only 3.33% of the respondents strongly disagreed that organisational goals and objectives were met when there were no vacant positions, and 25.83% of the respondents disagreed. While 14.17% of the respondents strongly agreed that organisational goals and objectives were achieved when there were no vacant positions, 56.67% of the respondents agreed.

Furthermore, 1.67% of the respondents strongly disagreed that annual operation plans were implemented on time when there were no vacant positions, and 5.83% of the respondents disagreed with the statement. Of the respondents, 46.67% strongly agreed that annual operation plans were implemented on time when there were no vacant positions, and 45.83% of the respondents agreed with the statement.

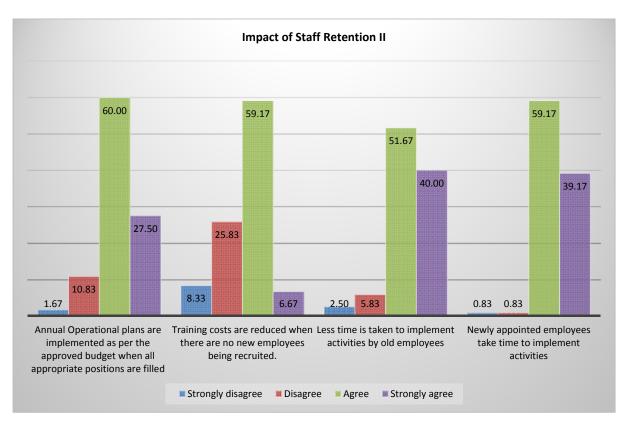


Figure 4.13: Impact of staff retention II

From the results, it is clear that 1.67% of the respondents strongly disagreed that annual operational plans were implemented as per the approved budget when all the appropriate positions were filled, while 10.83% of the respondents disagreed with the statement. Of the respondents, 27.50% strongly agreed that annual operational plans

were implemented as per the approved budget when all the appropriate positions were filled, and 60% of the respondents agreed to the same.

On a similar note, 8.33% of the respondents strongly disagreed that training costs were reduced when there were no new employees being recruited, and 25.83% of the respondents disagreed with the statement. While 6.67% of the respondents strongly agreed that training costs were reduced when there were no new employees being recruited, 59.17% of the respondents agreed.

A mere 2.50% of the respondents strongly disagreed that less time was taken to implement activities by old employees, and 5.83% of the respondents disagreed with the statement. While 40% of the respondents strongly agreed that old employees took less time to implement activities, 51.67% of the respondents agreed with the statement.

Lastly, 0.83% of the respondents strongly disagreed with the statement that newly appointed employees took time to implement activities, and 0.83% of the respondents disagreed with the statement. However, 39.17% of the respondents strongly agreed that newly appointed employees take time to implement activities, and 59.17% of the respondents similarly agreed with the statement.

#### 4.2.4.1 Factor value – impact of staff retention on operations and employees

The researcher next found the factor values (FV), which are used to determine the percentage of participants that agree with the statement. For instance, a high FV (>0.5) indicates that the majority agreed with the statement. The results are indicated in Table 4.1.

Table 4.1: Factor values – impact of staff retention on operations and employees

Impact of Staff Retention on Operations and Employees	Mean	FV	Rank
I feel depressed when colleagues leave the organisation	2,467	0,617	8
I am happy to see all employees at work	3,258	0,815	4
Organisational goals and objectives are met when there are no vacant positions	2,817	0,704	6
Annual operation plans are implemented on time when there are no vacant positions	3,375	0,844	1
Annual operational plans are implemented as per the approved budget when all appropriate positions are filled	3,133	0,783	5
Training costs are reduced when there are no new employees being recruited.	2,642	0,660	7
Less time is taken to implement activities by old employees	3,292	0,823	3
Newly appointed employees take time to implement activities	3,367	0,842	2

All the factor values are greater than 0.5; meaning that the majority of the respondents agreed with the statements. These factor values were then ranked with one being the most important factor and eight being the least important. The results presented in Table 4.1 confirm the theory that retaining employees ensures high performance. Furthermore, the results reiterate the theory that retaining employees reduces training and development costs.

#### 4.2.5 T-Test by group statistics

A T-Test was conducted to determine whether or not there were significant differences among the demographic groups. A T-Test is used when the researcher wants to determine if the group means of interval variables differ from one another and it is only used when there are only two groups.

### 4.2.5.1 T-Test by gender

In this case, the researcher tested whether or not the organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention differed between

males and females. If the p-value is less than 0.1, then males and females have different views on organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention. If the p-value is greater than 0.1, males and females have the same views on organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention. The results are presented in Table 4.2.

Table 4.2: T-Test by gender

Variables	T statistic	P-value
Organisational environmental	-1,102	0,273
Development environmental	-1,377	0,171
Compensation & benefits	-1,614	0,109
Work-life balance	-2,100	0,038
Retention trends	-2,609	0,010
Impact of staff retention	-2,193	0,030

Under organisational environmental factors, the p-value is 0.273, which is greater than 0.1, which means that the organisational environmental factors are the same for males and females. Under developmental factors, the p-value is 0.171, which is greater than 0.1. This means that the development environmental factors is the same for males and females. Under compensation and benefits factors, the p-value is 0.109, which is greater than 0.1; this means that the compensation and benefits factors is the same for males and females. Under work-life balance factors, the p-value is 0.038, which is less than 0.1. This means that the work-life balance factors is different between males and females. Under retention trends, the p-value is 0.010, which is less than 0.1, which means that the retention trends are different between males and females. Under the impact of staff retention, the p-value is 0.030, which is less than 0.1. This means that the impact of staff retention is different for males and females.

#### 4.2.5.2 T-Test by tenure (supervisor)

In this case, the researcher tested whether or not the organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention differed in tenure between one and five years and above five years. If the p-value is less than 0.1, males and females have different views on organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention. If the p-value is greater than 0.1, males and females have the same views on organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention. The results are presented in Table 4.3.

Table 4.3: T-Test by tenure (supervisor)

Variables	T statistic	P-value
Organisational environmental	1,215	0,227
Development environmental	0,703	0,484
Compensation & benefits	-0,290	0,772
Work-life balance	2,300	0,023
Retention trends	-0,220	0,828
Impact of staff retention	-0,234	0,816

Under organisational environmental factors, the p-value is 0.227, which is greater than 0.1; this means that the organisational environmental factors are the same for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years. Under developmental environmental factors, the p-value is 0.484, which is greater than 0.1. This means that the development environmental factors are the same for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years. Under compensation and benefits factors, the p-value is 0.772, which is greater than 0.1 – this means that the compensation and benefits factors are the same for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years. Under work-life balance factors, the p-value is

0.023, which is less than 0.1; which means that the work-life balance factors are different for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years. Under retention trends, the p-value is 0.828, which is greater than 0.1. This means that the retention trends are the same for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years. Under the impact of staff retention, the p-value is 0.816, which is greater than 0.1 – which means that the impact of staff retention is the same for those who worked for their supervisors for one to five years and those who worked for their supervisors for more than five years.

#### 4.2.6 ANOVA analysis by demographic groups

The researcher further performed an analysis of variance to test whether or not there were significant differences among the demographic groups. ANOVA is used when one wants to see if the group means of interval variables differ from one another, but it is only used when there are three groups or more to compare. In this case, the researcher tested whether or not the organisational environment factors, development environmental factors, compensation and benefits factors, work-life balance factors, retention trends, and the impact of staff retention differed among the tenure groups, age groups, and education groups. For the sake of conclusions, the p-value for each variable was identified and compared to the value of 0.1; if the averages are different from each other, the p-value will be less than 0.1, and vice versa. The results are presented in Table 4.4.

Table 4.4: ANOVA analysis by demographic groups

Variables	Tenure	Age	Education
Organisational environmental	0,015	0,043	0,178
Development environmental	0,016	0,191	0,185
Compensation & benefits	0,261	0,968	0,442
Work-life balance	0,481	0,521	0,958
Retention trends	0,001	0,031	0,021
Impact of staff retention	0,001	0,052	0,007

#### 4.2.6.1 Organisational environmental factors

For tenure in the organisation, the p-value is 0.015, which is less than 0.1; this means that the organisational environmental factors differ among the tenure groups. For age, the p-value is 0.043, which is less than 0.1, which means that the organisational environmental factors differ among the age groups. For education, the p-value is 0.178, which is greater than 0.1; this means that the organisational environmental factors are the same among the education groups.

### 4.2.6.2 Developmental environmental factors

For tenure in the organisation, the p-value is 0.016, which is less than 0.1; which means that the development environmental factors differ among the tenure groups. For age, the p-value is 0.191, which is greater than 0.1; this means that the development environmental factors are the same among the age groups. For education, the p-value is 0.185, which is greater than 0.1; this means that the development environmental factors are the same among the education groups.

#### 4.2.6.3 Compensation and benefits factors

For tenure in the organisation, the p-value is 0.261, which is greater than 0.1; this means that the compensation and benefits factors are the same for the different tenure groups. For age, the p-value is 0.968, which is greater than 0.1; which means that the compensation and benefits factors are the same among the age groups. For education, the p-value is 0.442, which is greater than 0.1; this means that the compensation and benefits factors are the same among the education groups.

#### 4.2.6.4 Work-life balance factors

For tenure in the organisation, the p-value is 0.481, which is greater than 0.1; this means that the work-life balance factors are the same among the tenure groups. For age, the p-value is 0.521, which is greater than 0.1; this means that the work-life balance factors are the same among the age groups. For education, the p-value is 0.958, which is greater than 0.1; which means that the work-life balance factors are the same among the education groups.

#### 4.2.6.5 Retention trends

For tenure in the organisation, the p-value is 0.001, which is less than 0.1; this means that the retention trends differ among the tenure groups. For age, the p-value is 0.031, which is less than 0.1; this means that the retention trends differ among the age groups. For education, the p-value is 0.021, which is less than 0.1; this means that the retention trends differ among the education groups.

#### 4.2.6.6 Impact of staff retention

For tenure in the organisation, the p-value is 0.001, which is less than 0.1; this means that the impact of staff retention differs among the tenure groups. For age, the p-value is 0.052, which is less than 0.1; which means that the impact of staff retention differs among the age groups. For education, the p-value is 0.007, which is less than 0.1; this means that the impact of staff retention differs among the education groups.

## 4.2.7 Post hoc tests – Tukey HSD

Due to the fact that significant differences were found among some variables, a post hoc analysis was undertaken to determine if the tenure-organisation groups, age groups, and education groups have significant differences. The test applied is the Tukey test. The results are presented in Table 4.5.

Table 4.5: Tukey test by tenure organisation

Variables	Tenure Organisation		P-value
	1 – 5 years		0,010
Organisational environmental factors	6 – 10 years	16 – 20 years	0,037
	11 – 15 years		0,063
	1 – 5 years		0,003
Development environmental factors	6 – 10 years	16 – 20 years	0,043
	11 – 15 years		0,028
		1 – 5 years	0,000
Retention trends	16 – 20 years	6 – 10 years	0,000
		11 – 15 years	0,024
Impact of staff retention  1 – 5 years  6 – 10 years  11 – 15 years	1 – 5 years		0,000
	6 – 10 years	16 – 20 years	0,001
	11 – 15 years		0,019

Under the organisational environmental factors, the difference in views on the organisational environmental factors is between those who have worked in the organisation for one to five years and those who have worked for 16 to 20 years, between those who have worked in the organisation for six to ten years and those who have worked for 16 to 20 years, as well as between those who have worked in the organisation for 11 to 15 years and those who have worked for 16 to 20 years.

Under the developmental environmental factors, the difference in views on the developmental environmental factors is between those who have worked in the organisation for one to five years and those who have worked for 16 to 20 years, between those who have worked in the organisation for six to ten years and those who have worked for 16 to 20 years, as well as between those who have worked in the organisation for 11 to 15 years and those who have worked for 16 to 20 years.

Under retention trends, the difference in views on the retention trends is between those who have worked in the organisation for one to five years and those who have worked for 16 to 20 years, between those who have worked in the organisation for six to ten years and those who have worked for 16 to 20 years, as well as between those who have worked in the organisation for 11 to 15 years and those who have worked for 16 to 20 years.

Under the impact of staff retention, the difference in views on the impact of staff retention is between those who have worked in the organisation for one to five years and those who have worked for 16 to 20 years, between those who have worked in the organisation for six to ten years and those who have worked for 16 to 20 years, as well as between those who have worked in the organisation for 11 to 15 years and those who have worked for 16 to 20 years.

Under organisational environmental factors, the difference in views on the organisational environmental factors is between those who are aged under 26 and those who are aged above 45. Under retention trends, the difference in views on the retention trends is between those aged 26 to 35, and those aged 36 to 45. Under the impact of staff retention, the difference in views on the impact of staff retention is between those aged 26 to 35 years, and those aged 36 to 45 years. The results are presented in Table 4.6.

Table 4.6: Tukey test by age

Variables	Age		P-value
Organisational environmental	Under 26	Above 45	0,055
Retention trends	26 to 35	36 to 45	0,047
Impact of staff retention	26 to 35	36 to 45	0,097

Under retention trends, the difference in views on the retention trends is between those who have a diploma and those with a bachelor's degree. Under the impact of staff retention, the difference in views on the impact of staff retention is between those who have a diploma and those with a bachelor's degree. The results are presented in Table 4.7.

Table 4.7: Tukey test by education levels

Variables	Education		P-value
Retention trends	Diploma	Bachelor's degree	0,010
Impact of staff retention	Diploma	Bachelor's degree	0,006

## 4.2.8 Correlations (relationship between retention factors and retention trends)

The researcher used the Spearman's rho correlation coefficient to determine the relationship, if any, between retention factors and retention trends. It is used to test whether or not there is a relationship between retention trends and each of the factors: organisational environmental, developmental environmental, compensation and benefits, and work-life balance. The p-value was identified and compared with a significance level of 0.1. If the p-value is less than 0.1, a relationship exists between the variables. If there is a positive relationship between the two variables, the correlation coefficient will be positive and it will range between 0 and 1. The closer the value is to 1, the stronger the relationship between the two values. On the other hand, if there is a negative relationship, the correlation coefficient will be negative and it will range between -1 and 0. The closer the value is to -1, the stronger the relationship between the two values.

Table 4.8: Relationship between retention factors and retention trends

Retention trends	Correlation Coefficient	P-value
Organisational environmental	0,546	0,000
Development environmental	0,577	0,000
Compensation & benefits	0,683	0,000
Work-life balance	0,365	0,000

The correlation coefficient between organisational environmental factors and retention trends is 0.546, with a p-value of 0.000; which is less than 0.1, meaning that there is a significant positive relationship between organisational environmental factors and retention trends. The correlation coefficient between development environmental factors and retention trends is 0.577, with a p-value of 0.000; which is less than 0.1. This means that there is a significant positive relationship between development environmental factors and retention trends. The correlation coefficient between compensation and benefits factors and retention trends is 0.683, with a p-value of 0.000; which is less than 0.1, meaning that there is a significant positive relationship between compensation and benefits factors and retention trends. The correlation

coefficient between work-life balance factors and retention trends is 0.365, with a p-value of 0.000; which is less than 0.1, which means that there is a significant positive relationship between work-life balance and retention trends.

#### 4.3 INTERPRETATION OF THE RESULTS

#### 4.3.1 Overview of the retention factors

The results of the study in general indicate that under organisational environmental factors, working conditions and support and guidance by supervisors play an important role in retaining staff at World Vision International Lesotho. This confirms the concept that the association between supervisors and employees is an important aspect which impacts employee retention. The support and guidance provided add value and enhance employees' job satisfaction and organisational commitment. The size of the organisation also matters in the retention of the staff. Most employees are happy working in a big organisation; however, this factor is quite robust as the theory states that some people enjoy working in big organisations with many employees, while other people enjoy working with a minimum number of employees or in small organisations. This factor therefore depends much on the individual employee's personal character.

From the developmental environment point of view, the provision of training opportunities to employees influences their performance. Challenging work, similarity of values between employees and the organisation, and the perception that employees are valued by the organisation form part of major factors affecting staff retention in World Vision International Lesotho. This is in line with the theory that the provision of development and learning opportunities gives employees the impression that the organisation values them, which leads to their prolonged stay in World Vision International Lesotho. Furthermore, the challenging work that the employees are faced with leads them to exert more energy and apply new skills from their different training to achieve organisational goals and objectives, thus influencing their intrinsic motivation to excel and perform better. Accomplishing challenging work leads to job satisfaction and the decision to stay longer in an organisation.

The ability of World Vision International Lesotho to guarantee staff basic salaries, paying them a certain percentage for outstanding performance, and providing them with health benefits act as major factors in retaining the staff in the organisation. However, the employees are not satisfied with the salaries and wages considering what other people earn, which implies that employees are inequitably compensated or their salaries are not fair – hence the possibility of quitting or leaving the organisation to reduce their tension.

From the work-life balance factors, the major components affecting staff retention were identified as the option to work from home, flexible working hours, and extra vacation or longer annual leave. All the factors lead to a situation whereby employees are not able to balance their work and personal life.

Employees agreed that annual operation plans are implemented on time and within budget when there are no vacant positions in World Vision International Lesotho. They also agreed that organisational goals and objectives were achieved when there were no vacant posts. This is in line with the concept noted in the literature review that retaining employees ensures high performance or the achievement of superior results.

Lastly, when examining the correlations between all organisational environmental, developmental environmental, compensation and benefits, work-life balance factors, and retention trends, if was found that they were all positive; meaning that improving one factor to the satisfaction of employees will lead to higher retention of employees at World Vision International Lesotho, and vice versa.

#### 4.4 SUMMARY OF CHAPTER 4

The chapter focused on the results of the study. It firstly deliberated on the specific credentials of the respondents, the specific period they have been employed by the organisation, and the numbers of years the respondents have reported to their current supervisors. Furthermore, specific or important factors under four broad factors (organisational environmental factors, development environmental factors, compensation and benefits, and work-life balance factors) affecting staff retention were identified through frequency distributions.

Possible retention trends within World Vision International Lesotho were also identified. The correlation between the four main broad factors and retentions trends were also identified; whereby it was found that compensation and benefits are more correlated to retention trends because the correlation coefficient is higher than the other three main broad factors in the organisation. Lastly, the impact of staff retention on World Vision International Lesotho was identified, and it is clear that the ability of the organisation to retain employees influences the positive performance of the organisation. However, staff retention seems not to have that much impact on the remaining employees, as the frequency distribution of the questionnaires measuring this aspect were distributed more equally.

# CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 INTRODUCTION

This chapter put forwards the link between gaps identified in Chapter 4. It makes recommendations on where the organisation can improve in retaining employees. This chapter also details the limitations encountered by the researcher during the whole process of research, and the conclusions derived from the findings based on the objectives. For interest and further research, one may elaborate on this study and investigate which retention level(s) is effective and can lead to maximum performance within World Vision International Lesotho.

#### 5.2 LIMITATIONS OF THE STUDY

The questionnaires were distributed to World Vision International Lesotho staff via e-mail. It should be noted that some staff members such as cleaners, drivers, and field monitors who do not have access to e-mail were not reached, although they formed part of the sample. It is possible that the stated staff members would have a different view on the staff retention of the organisation, especially since they are in lower positions in the organisation's structure.

#### 5.3 RECOMMENDATIONS

It is concluded from Chapter 4 of the study that World Vision International Lesotho does not discuss training requirements with employees. Although it is appreciated that they provide training for employees' development, World Vision International Lesotho should know what type of training is required by the employees; therefore a platform is needed for employees to discuss their training needs with the organisation, which would assist the organisation in providing the required training.

World Vision International Lesotho providing a platform for employees to discuss their training and developmental needs with the organisation will assist the organisation in aligning the training needs with the employees' job descriptions. Employees know exactly where they encounter problems or what hampers their performance on daily basis – more than their respective supervisors or organisation management teams do. Therefore, opening a proper discussion forum with employees will inform management which training and development interventions are really required by the employees to perform well and meet the goals and objectives of the organisation.

Furthermore, aligning employee training and development requirements with the actual training will assist the organisation in investing strategically and save on costs. This will avoid unnecessary training costs which will not benefit the organisation. The time employees spend while attending required training will not be wasted, unlike the time employees spend on unnecessary training which disadvantages the organisation because the organisation does not benefit from it. Therefore, employees' job descriptions should be aligned with the training the organisation offers and this should be in consultation with or involve the organisation's human assets.

Another important finding from Chapter 4 under developmental environmental factors which is of great concern is that World Vision International Lesotho does not value its employees. Employees should feel that they are important and that they add value to the organisation. Therefore, the recommendation to solving this issue is to appreciate and recognise all the employees. Their views and suggestions should be appreciated by management. World Vision International Lesotho's management should also recognise greater inputs or performance of employees, such as employee-of-themonth awards. This will induce all employees to improve in their development and attain higher results. Once employees perceive that the organisation values their inputs and suggestions, employees will in turn be more loyal to the organisation and stay longer; hence reducing the after-effects of poor retention such as high training costs.

From the findings of work-life balance factors, it was found that World Vision International Lesotho does not provide employees with the option to work from home or flexible working hours, and does not grant longer or extra leave if necessary. Due

to the nature of life people are currently living, such as women being more concerned about taking care of their families, it is recommended that World Vision International Lesotho should provide its employees with the opportunity to work from home, flexible working hours, and longer or extra leave. These opportunities should be managed appropriately, as suggested in the next section.

Employees should be allowed to drop off and pick up their children from school; that is, they can arrive at work by 9:00 am and leave at 3:00 pm to pick their children up from school. However, the lost time should be compensated for by working at home in the late afternoon and evening. This is possible because of advancements in technology as people can access work systems and send e-mails from the comfort of their homes whilst still looking after their families. Similarly, performance will be maximised as every employee will be given the chance to work in the environment most convenient for them. For instance, some employees enjoy and can deliver more while working in the company of team mates, and some can deliver more while working independently in the comfort of their homes; thus, once employees are given this opportunity, it will increase their capabilities and efforts within the organisation and therefore they will decide to stay with the organisation for a longer period because their work-life will be balanced.

Furthermore, employees should be granted a longer leave period if necessary. Employees should be allowed to rest for a longer period; however, this should not be misused. Some employees may take advantage of this opportunity; therefore the respective supervisors should know their team members to the extent that they can tell when one requires a longer rest period due to strenuous activity being performed. All the recommendations to enhance the work-life balance of employees should be managed effectively to avoid abuse by employees. For instance, employees should indicate in writing to their supervisors that the work that will be performed from home before their flexi-knock-off time and the respective supervisors should keep track that the work is delivered on time and as agreed.

#### 5.4 SUMMARY OF CHAPTER 5

The stated recommendations, if applied and adopted by World Vision International Lesotho, will decrease the percentage of employees who are currently searching for jobs in other organisations as depicted in the findings. Furthermore, they will lead to higher achievement of the organisation's goals and objectives as it will motivate employees' performances and efforts.

Employee retention is a critical aspect in organisations and this study showed that staff retention is influenced by many factors; from organisational, developmental, and compensation, to work-life environments. The study indicates that some factors in World Vision International Lesotho seem to be of importance. The supervisors should be aware which factors are vital to retaining the organisation's human assets.

Chapter 1 of the study dealt with the research proposal, while Chapter 2 concentrated on a literature review of employee retention. Chapter 3 discussed explicitly how the study was to be carried out, and how data were collected and analysed. Chapter 4 discussed the findings of the research based on the research questions as indicated in Chapter 1. The study proved that the findings correlate with existing knowledge as detailed in the literature review and the collected data.

It is finally concluded from organisational environmental factors that working conditions and supervision provided to team members play a critical role in employee retention in World Vision International Lesotho. From the developmental factors, it is concluded that training opportunities provided by the organisation, challenging work, a similarity of values between the organisation and its employees, the value the organisation places on its employees, and employees being able to discuss their training and developmental requirements with the organisation are the main factors affecting staff retention.

Furthermore, under compensation and benefit factors, salary, organisational ability to recognise outstanding performance with a certain percentage of money over and above the salary provided together with health benefits play a critical role in staff retention in World Vision International Lesotho. Under work-life balance factors, it appears that the employees' work-life is not balanced seemingly because the organisation does not provide employees with a chance to work from home or flexi-

hours. The level of staff retention the organisation has managed to date will not increase if World Vision International Lesotho does not help employees to balance their work-life.

The study also aimed to analyse the impact of staff retention on World Vision International Lesotho. From this perspective, the findings supported the literature but not in all aspects. It is concluded that the ability to retain employees helps the organisation to achieve its goals and objectives and enables activities to be performed on time. However, staff retention does not seem to have much impact on the remaining staff of World Vision International Lesotho, hence there is a discrepancy between the theory and the findings in this regard.

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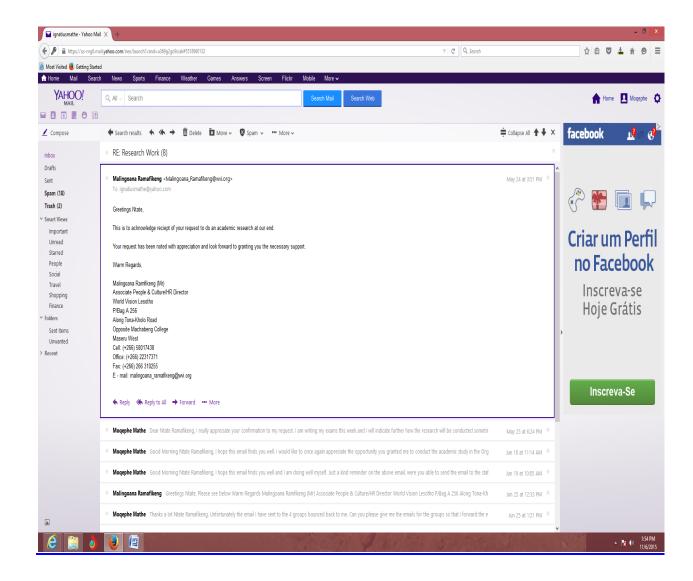
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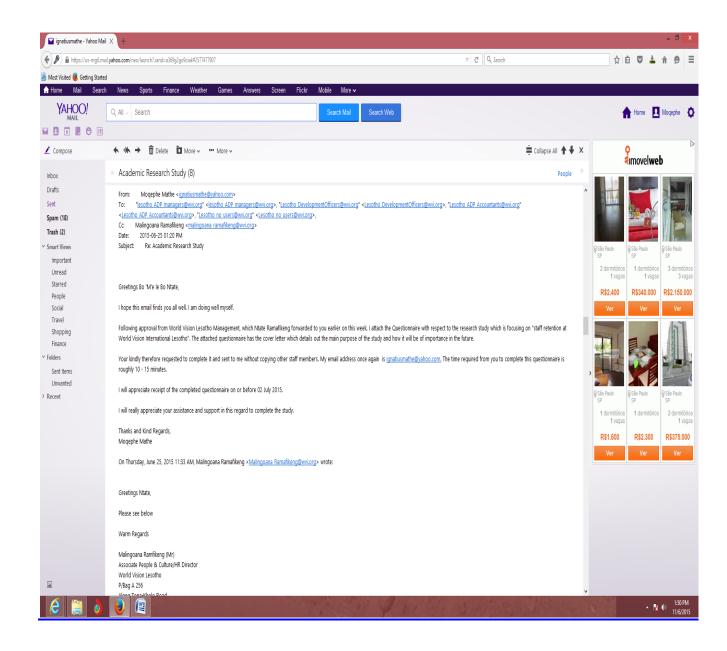
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### **APPENDICES**

# Appendix 1: Approval to conduct research from World Vision International Lesotho



## Appendix 2: E-mail sent to the sample



### **Appendix 3: Questionnaire sent to the sample**

### **Cover Letter for the Questionnaire**



Moqephe Mathe
Business School
University of the Free State
Bloemfontein, South Africa

Dear Respondent,

Re: A Request to participate in the Research

I am a MBA Student at the University of the Free State (UFS), Bloemfontein and I am conducting research on employee retention management. The research has been authorised by Business School at UFS and my supervisor Mr Lyle Markham.

Employee retention is important strategic tool for organisations. The aim of the study is to evaluate employee retention at World Vision International Lesotho. Further discover the major factors that causes staff retention and analyse the impact of staff retention at World Vision International Lesotho. The findings will benefit both the organisation and employees in the area of Human Resource Management. Results from this study will assist in the development of an effective or more appropriate retention program for the organisation.

Therefore, your participation will form a critical part of research. To assist in my research, I would like to request you to fill the below form. To answer the below questionnaire it will require 10-15 minutes of your time. The sharing of your views and experience as you answer the questionnaire will be valuable to me and as such it will be treated with **utmost confidence**. No reference will be made to any individual and the information will be reported in an aggregated form. A summary of my findings will be provided upon your request.

### Return date for the questionnaire: latest by 02 July 2015

If you have any queries, please do not hesitate to contact me. Alternatively, you can contact University of the Free state, Business School on +27(0)51 401 3163 I thank you in advance for your kind assistance and corporation.

Yours Sincerely,

Mogephe Mathe

ignatiusmathe@yahoo.com

#### Questionnaire

## Instruction(s)

Please highlight in red the answer appropriate.

## **Demographic Questions**

1)	What is your Sex?			
	Male			

Female

2) What is your Job Title

3) How long have you worked for the organisation?

1 – 5 years

5 - 10 years

10 - 15 years

15 – 20 years

Over 20 years

- 4) How long have you worked for your immediate Supervisor?
  - 1-5 years
  - 5 10 years
  - 10 15 years

15 – 20 years Over 20 years 5) What is your Age group? Under 26 46 to 55 26 to 35 56 to 65 36 to 45 66 or older 6) What is your highest level of Education? Did not complete High School High school degree/equivalent Diploma Bachelor's Degree Master's Degree PhD **Factors affecting staff retention Organisational environmental Factors** 1) My working conditions are good a) Strongly agree b) Agree c) Disagree d) Strongly disagree

my duties

a) Strongly agree b) Agree

2) My Supervisor provides me with support and guidance I require to perform

c) Disagree d) Strongly disagree

3)	I sell this organisation to my friends and strangers as a great organisation to work for			
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
4)	I am comfortable	e working in a	small organis	ation more than a big one
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
5)	I take very little the organisation	•	present circui	mstances to cause me to leave
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
De	velopment envi	ronmental fa	ctors	
	to improve my s	kills and abiliti	ies	ning opportunities enabling me
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
2)	I have the opporrequirements wi	-	•	g and development
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
3)	My work is chall	enging		
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
		-	=	working for this organisation.
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
5)	I find that my va	lues and that	of the organis	ation are similar
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
•	I am valued by t	-		
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
Compensation and Benefits Factors				
1)	May basic salar	y is guarantee	d every mont	h
a)	Strongly agree	b) Agree	c) Disagree	d) Strongly disagree
2)	My salary or wa	ge is fair cons	idering what o	other people are paid
a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree

	3)	I am paid a certa	ain percentage	e of my basic	salary for outstanding	
	a)	•	b) Agree	C) Disagree	d) Strongly disagree	
	4)	4) The organisation provides me with health benefits				
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
	5)	My salary or wag	ge is fair cons	idering what o	other people are paid	
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
	Work-Life Balance Factors					
	1)	I find balancing i	my work and բ	oersonal life d	ifficult	
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
	2) The organisation provides option to work from home					
		•	-		d) Strongly disagree	
	3)	The organisation	n allows me to	work flexible	working hours	
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
	4)	Extra vacations	or longer annı	ual leave is gr	anted to me	
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
	5)	I find balancing i	my work and բ	oersonal life d	ifficult	
	a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree	
Reter	itio	n Trends				
1)	l th	nink a lot about le	aving this org	anisation		
a)	Str	ongly agree	b) Agree	C) Disagree	d) Strongly disagree	
2)	Ιa	m actively search	ning for work in	n another orga	anisations	
a)	Str	ongly agree	b) Agree	C) Disagree	d) Strongly disagree	
3)		•	offer that paid	the same as	the one I have, I would leave	
-1	_	re in a minute.	L. \ A	O) D:	al) Otana a alica dia a ana a	
a)	Str	ongly agree	b) Agree	C) Disagree	d) Strongly disagree	
4)	) Deciding to work for this organisation was a definite mistake from my part					
a)	Str	ongly agree	b) Agree	C) Disagree	d) Strongly disagree	

•	I do not feel emotio Strongly agree	-	•	sation d) Strongly disagree		
-	I do not feel a stron Strongly agree	-		organisation d) Strongly disagree		
-	For me this is best Strongly agree		<del>-</del>	d) Strongly disagree		
lm	pact of Staff Reten	tion on Opera	ations and E	mployees		
	I feel depressed wh Strongly agree			e organisation d) Strongly disagree		
,	I am happy to see a Strongly agree			d) Strongly disagree		
-	Organisational goal Strongly agree	=		hen there is no vacant position? d) Strongly disagree		
4)	Annual Operation plans are implemented on time when there is no vacant position					
a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree		
5)	Annual Operational plans are implemented as per the approved budget when all appropriate positions are filled					
a)	Strongly agree	b) Agree	C) Disagree	d) Strongly disagree		
-	Training costs are r Strongly agree			new employees being recruited. d) Strongly disagree		
,	Less time is taken t Strongly agree	o implement a b) Agree	•	d employees d) Strongly disagree		
-	Newly appointed er Strongly agree	nployees take b) Agree		ment activities d) Strongly disagree		

# END THANK YOU FOR COMPLETING THE QUESTIONNAIRE