

UNIVERSITY OF KWAZULU-NATAL

**EMPLOYEE RETENTION PRACTICES IN HOUSEHOLD ELECTRONIC
APPLIANCES SECTOR IN KWAZULU-NATAL**

By

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DECLARATION

I Nkanyiso Sphiwe Mvuyana declares that:

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Abstract

The study analyses employee retention practices in household electronic appliance manufacturing sector. The study was aimed at identifying and establishing the key motivational variables being used by household electronic appliance sector in KwaZulu-Natal, in retaining their best employees. The study looked at the extent to which these variables are influencing employees to stay or leave the company. The study adopted the cross-sectional survey research design by investigating the extent to which the selected motivational variables influence employees' decisions. Quantitative research design was used because its findings are generalizable and easy to understand. The study was conducted at Whirlpool South Africa (SA), an organization based at Isithebe Industrial area in the North of Durban. The population of the study was conducted using the middle managers and all employees totaling 155 employees. There was an 87% response rate on the population chosen. The findings of the study indicated that remuneration and benefits were the most motivational factors that respondents felt needed to be improved followed closely by communication and training and development. The analysis concluded that managing and keeping best employees was vital and an ultimate need in order to maintain a competitive advantage over other organizations. The study outcomes recommended that better pay and benefits, communication between employees and management, improvement on training and development, succession planning and job design be prioritized in order to maintain continuity.

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CHAPTER ONE

Introduction and Background of the Study

1.1. Introduction

Employee turnover has been in the limelight to many small and medium organizations for a while due to its significance in maintaining the continuity of the business. Retention of talented and high performers is in every human resources (HR) agenda. Employee retention is vital as turnover is expensive and talented employees drive the business forward. According to McKinsey (2012), turnover cost resulting in replacing employees can be two times the annual salary and more, depending on the industry. Skilled and talented employees have become a determining factor in today's business environment. Organisations depend on the capability of their employees for them to compete positively in the local and international market and in order to grow their market share. In previous studies, it has been proven that retaining skilled workers has become challenging for smaller organisations, as these employees are being lured to bigger organisations with better incentives (Gillingham, 2008). Gberevbie (2008) also found that if appropriate employee retention strategies are adopted and correctly implemented by organisations, the most talented workers would remain in the organisation and assist in the accomplishment of organisational strategic goals.

There are a number of retention strategies that have been developed and tried by different organisations, but the issues of employee turnover is still on the rise. Choosing the right strategy for the correct industry is important, followed by the implementation of the strategy and lastly, maintaining the implemented strategy in the organisation. This chapter is an overview of the study, the problem statement, motivation for the study.

1.2. Motivation for the Study

George and Jones (2005) claim that organizations can benefit if bad performers leave the organization and good performers stay. However, deliberation on retention must be certain due to the fact that workers need different things and are motivated by different things. It is necessary for management to dedicate time to employees in order to understand their needs in detail (Robbins et al., 2004). Benefits of this study would result in cost reduction

through less recruitment, employee turnover, productivity by the organization, as well as the employee. Employers experience costs due to high replacement costs, while employees experience monetary as well as psychological costs (Huang, Lin & Chuang, 2006). There are high recruitment and training costs associated with replacing employees. Therefore, better retaining strategies are required to reduce these costs to a minimum. Employees who enjoy their work and the working environment are more likely to stay in the same company. The implementation of retention strategies is important as this creates a positive work environment and reinforces an employee's assurance that they would remain in the organization for a long time. Strategies that focus on employee engagement increase their morale and give them pride on their work and organization. Retention strategies result in high returns for company shareholders. If stakeholders are happy, future jobs are guaranteed to everyone involved. Even the community benefits as there would be employment for the surrounding people and the company usually gives back to the community in terms of sponsorships and bursaries.

Employee retention results in continuous smooth production flow in the organization. There is less disruption of the efficient running of the organization. The organization maintains its production, while at the same time servicing its customers with no disruptions. Organization managers have fewer worries on recruiting and training as it takes time. A vacant position means that there is no production and even if the post has been filled, there is also a learning curve that new employees need to overcome before they can be fully productive. When an employee leaves the organization, the community is also indirectly affected by the move. The family of the employee gets attached around the company's environment. They form part of the community and they share common interests. If an employee has to leave, it is not only the company which loses, but the community as well, if they were to relocate. Customers and clients that an employee had made relationships with also gain a lot if the company retains the same employees. Most customers conduct business with a certain company because of the people who work for the organization. Existing relationships reassure future business with the clients, so when the employee leaves, the relationship with clients is affected, thereby resulting in customer loss (Armstrong, Brown & Reilly, 2011).

1.3. Focus of the study

The study is focused on employee retention factors that are deemed more critical. These factors include remuneration, training and development, growth and succession plan, employer-employee relationship, feedback and communication, employee engagement and responsibility, job design, benefits, rewards and recognition, working conditions, work - life balance, organizational culture, as well as the recruitment process (advertisement, interview, induction).

1.4. Problem Statement

Samuel (2008) states that employee retention can destabilize the smooth operations of the organizations, causing them to fail in fulfilling their customer needs. When employees are not involved and motivated in their work, they eventually leave for the competitor, thereby causing a great threat to the company's success (Chungtai, 2008). There are a number of factors that influence employee retention in the electronic household manufacturing organizations in South Africa. Factors that contribute to employee turnover includes training and development, growth and succession plan, employer-employee relationship, feedback and communication, employee engagement and responsibility, job design, remuneration, benefits, rewards and recognition, working conditions, work -life balance, organizational culture and the recruitment process (advertisement, interview, induction. Some of these factors have been implemented by the organizations, through their employee retention strategies, but with little or no success. The implementation of these strategies requires creative abilities and great knowledge of the subject at hand. The main aim of this study is therefore to scrutinise the influences behind employee retention and what contributes to the decision to stay or move to another organisation.

According to Chew and Chan (2008), there are two important ongoing organizational issues that managers are facing, namely employee commitment to the company and staff retention. Committed employees are less likely to leave the organization (Maurer & Lippstreu, 2008). Currently, managers and the human resources departments are guessing on what keeps their most valuable and talented employees motivated and happy (Kaye and Jordan-Evans, 2005). In this way, managers must not assume that there is a one size fits all when it comes to employee motivation. The most crucial element for the organization to survive is the retention of its talented employees with experience, expertise, knowledge and competencies. For management to understand why people leave the company, it needs

to investigate the causes in detail. According to Fox (2006), the study should also include the ability to control and change the behaviour. By collecting this information, the organizations would be able to clearly identify retention strategies that could be effective for the company. There are a number of motivation and involvement factors that can motivate employees to stay in their current companies. This study therefore aims at investigating the impact of various employee motivators on employee retention in household electronic manufacturing. In view of that, the study has the following objectives.

1.5. Objectives of the Study

The aim of this study is to identify the factors that affect employee retention, the significance of these factors in the business, as well as to develop alternative solutions and strategies on how to implement the solutions:

- To identify factors affecting employee retention
- To determine what organisations are doing to reduce high turnover
- To determine the impact to the company due to the failure of employee retention
- To develop employee retention strategy that can be implemented by organisations

1.6. Hypothesis Questions

- What factors are affecting employee retention in the organisations?
- How these factors influence employee retention?
- Will addressing these factors reduce employee turnover?
- What employee retention strategy that can be used to improve employee retention?

1.7. Significance of the study

This study highlights motivational issues by employees in the household electronic manufacturing sector. It aims at determining which factors currently exist and which ones need more attention than others. The recommendations and suggestions might be beneficial to Whirlpool SA and other electric manufacturing companies in addressing retention issues. By implementing the recommendations mentioned in the study, HR, management, as well as employees, would also benefit from the findings mentioned in this study.

1.8. Limitations of the Study

Due to the negative vibe in the organisation, some employees may exaggerate on their responses than what it actually is, due to the negative experiences with company. The number of respondents can be an issue, depending how willing the employees are to air their views using the questionnaires. During the data collection month, there were service delivery protests in Isithebe, where Whirlpool is based. This saw the company being closed for two weeks, leading to a delay in collecting the questionnaires from the participants. The administration of the questionnaire was an issue, as the respondents wanted to give back the questionnaires direct to the researcher and not the HR practitioner. As a researcher I was forced to do extra visits and time to the company. It also took long time for some respondents to fill and return the questionnaires as some forgot or lost them.

1.9. Thesis Outline

Chapter 1

This chapter looked at the background of this thesis, as well as the motivation behind the study. It also covers the focus of the study, as well as the main problem statement. The main objectives are also discussed together with the limitations that hindered the smooth flow of the study.

Chapter 2

This chapter describes the existing literature or studies that have already been conducted by other researchers. Covered in this chapter are the motivational factors that are the core of this study. These factors include training and development, growth and succession plan, employee-employer relationship, job design, remuneration, benefits, rewards and recognition, working conditions and work life balance, organisation culture, recruitment process, cost of retention to business and strategic retention plan.

Chapter 3

This chapter looks at the methodology used to conduct the research. It touches on the problem statement, location of the study, the population and sample size. It also describes the data collection procedure, how the questionnaire was designed and how it was administered. The limitations and ethical considerations are also covered in detailed.

Chapter 4

This chapter presents the results of the survey and research. Data are presented in graphical, table and narrative methods to interpret the findings.

Chapter 5

Chapter 5 looks at the outcomes of each variable on the questionnaire. This chapter looks the responses of the employees on each variable and the sub-questions that were on the questionnaire. Research responses are analysed in detail and compared to the existing literature in order to gauge if the research was successful or not.

Chapter 6

All the recommendations suggested are described in this chapter. The chapter also gives a clear indication of how these recommendations could be implemented and sustained once implemented. Recommendations for further studies are also being discussed.

1.10. Summary

Employee retention is vital for the organization and for the employer as well, so it is important for both parties to work in collaboration in order to bridge this gap. It has been indicated in this chapter that the organization must put employees first and as their most valuable assets. Failure to retain skilled employees could result in cost due to recruitment and training cost. There can be a loss in business as most customers create relationships with suppliers. Managers need to understand that motivation does not only end with high remuneration and promotion, but there is other under lying factors that need to be addressed such as engagement, communication and working environment. Companies solemnly depend on their employees' expertise so that they are able to compete freely and increase their market share.

CHAPTER TWO

Literature Review

2.1. Introduction

Employee retention is an utmost important issue in the household electronic appliance sector in KwaZulu-Natal, due to the shortage of skilled labour and employee turnover. Replacing an employee can cost up to 200 percent of the current employer, so retention need to be maintained (Griffeth and Hom, 2001). Yazinski (2009) stated that it is important to invest in employees so as the organisation can be more competitive. Research by Leddy (2014) pointed out that talented and skilled employees easily get bored. They need to be occasionally motivated by giving them new projects that would challenge them. Job rotation also gives employees new and exciting challenges. This chapter reviews previous studies on employee retention. It covers the different variables related to employee retention already identified by researchers.

2.2. Training and Development

Dr. R. Savage (2009) emphasizes on planning for the future. Working with the employees in developing their skills and training needs is vital in creating skilled employees. They are the ones who know where they are lacking and assisting them to accomplish that helps them to perform their tasks better thus, benefiting the organization. The management must be there to guide employees and encourage them through the learning phase and assist wherever necessary. Knowing that the management wants them to grow and learn more gives employees a sense of trust, pride and responsibility as they know the organization is taking care of their needs.

According to Heathfield (2011), talented employees require learning, coaching and mentoring on a regular basis, as times and ways of doing things change daily. Job rotation is part of learning, as employees get to work in different teams with different skills. In that way, they can increase their skills and knowledge on other processes. Employee development goes a long way as it needs to be monitored closely. Regular one on one discussion to track progress is vital to keep track of the developments. Management needs to have a training and development plan backed by the policy to assist in implementing and monitoring this.

Gallup (2013) emphasizes that organizations must never stop training, as it is one of the driving forces that encourages employees to stay in the company. A 2012 White Paper by the World Economic Forum stresses that 67 percent of organizations polled encounter difficulty in finding employees who are skilled enough. This means that training employees can be an investment for the future of the business. Regular training also keeps employees challenged, engaged and motivated. Employee Retention Connection (2003) shares the same results that employers need to invest in employees by providing training opportunities. This could be achieved by assigning each employee a committed and positive mentor/buddy to monitor their progress and give feedback on regular basis.

Most successful organizations have a training plan in place, in order to assist employee training and to develop their skills. It all starts with the recruitment and selection process, where the right candidate must be hired. Even the right candidate would need training on how the organization carries its duties. Untrained employees lead to loss in productivity, while the new member is trying to figure out things and could lead to dissatisfaction, resulting into retention problems. Previous studies done by the American Society for Training and Development (ASTD) concluded that more than 41 percent of employees that work in organizations with no training and development plan would leave the organization in a year's time. The company must have a training plan which includes orientation for new employees, and then he/she receives in-house training on job-specific areas. The employee can then be assigned a mentor and once they are comfortable with their duties, they can engage in external training. Employee training and development helps employees to develop personal and organization skills, increase their knowledge and abilities to do the job properly (Freifeld, 2013).

Findings by the Kelly Global Workforce Index (KGWI, 2013) proved that companies which invest in the training and development of their employees would benefit on increased productivity and stand a good chance of retaining their employees. Training provided by employers in the workplace gets a tick of approval, with 84 percent agreeing it is effective in upgrading skills. This training could be on the job training, coaching, health and safety courses, lean or any other new skills (Kelly Global Workforce Index, 2013).

Both Generation X and Generation Y workforce view training and development as critical to their careers. They value the opportunity to learn new skills that could help them to

advance in their careers. Their main concern is to contribute to the organization and they have a fear of falling behind on the fast-changing environment around them (Taylor, Murphy & Price, 2006). Offering bursaries to further studies on the desired fields and degree completion programs are the most desired by employees as a benefit. When an employer meets these training needs, the company stands a good chance of retaining its employees. Also, the well-trained employees are more proficient and enthusiastic to do their jobs. Employees would need less supervision, complain less and be more satisfied and motivated. This would also improve the employer-employee relationship (Smith, 2013).

2.3. Growth and Succession Plan

Growth and succession plan assist with the continuity of the business for years to come. Succession planning is about ensuring leadership continuity by implementing strategies to identify and develop high-potential employees within the organization. It starts with the identification of the suitable candidates, talented, high performing and aspirant employees. By developing a succession planning strategy, it shows that an organization is strongly committed to developing its existing workforce and making sure that their workforce has the required skills and knowledge for the job. The benefits of succession planning include the creation of a diverse talent pool within the organization, retention of valued employees and cost saving in recruiting and training of new employees. It also improves the morale of the workforce (Heathfield, 2014). Management should therefore spend time nurturing raw talent and skilled employees for the future of the organization. Having talented workforce will differentiate an organization from its competitors. Previous studies proved that skilled and talented workers do not need to apply in order to find other jobs, as they are head hunted by big co-operations. Recruitment experts like Kelly (2013) share the same view that it would cost the company almost twice the annual salary to replace talented employees. The research conducted by S. Jordan-Evans and B Kaye (2003) showed that out of 15000 employees who were asked why they had stayed in their current jobs, answers included career growth, learning and development, fair pay and benefits, succession plan opportunities and good management.

The organization therefore needs to have a policy in place, which describes in detail, how growth and succession should be implemented. These should be shared and be known by

all in the organization to avoid conflict. When an organization recruits from outside, it creates unsatisfied employees who also feel that in order to move up the ladder, you need to move out of the current organization. Recruiting from within motivates workers to work harder as they see opportunities to grow. The current employees would easily adapt in their new positions and the environment as they have been part of the organization for a while. Talented and skilled individuals need to be groomed and be prepared for the positions by acting on them or assist in the same position they are being prepared for (Yazinski, 2009).

It does not matter how small or big the company is, but the company must create opportunities to grow professionally for all. This also entails always giving extra challenging work to employees to satisfy their curiosity. These could be small projects like designing new parts, writing a story on a company news article, or doing some research. It also includes exposing young employees to management positions at early stages of their career, or even during the training phase, as well as keeping the communication loop open for new employees to know what is happening in the whole company (Urban, 2013). Employee Retention Connection (2003) shares the same sentiments that companies need to design career paths, identifying core competencies for the different career paths, planning training and other opportunities to build competencies, plan, implement, and mentor and monitor the employee direction.

Employees tend to develop trust and a sense of loyalty for employers who are willing to invest in them through career development. Clearly defined career development policy also attracts external job seekers. Companies can develop their own policies which are unique to them and that would be aligned with the whole organizational strategy that would be based on employee retention (Gomez, 2014). According to Krautzel (2008), a succession plan must be designed to make sure that the appropriate workers are identified and correctly developed for the higher positions when they arise within the organization. Companies need to periodically evaluate their businesses and prepare for human resources requirements for business continuity. Jackson (2011) added that succession plan assists in identifying employees that can be trained and developed for the future. He stresses that employers must not wait before they are in crisis before they decide to recruit from within. It should rather be an ongoing process and not to be hurried when under pressure.

2.4. Employer-Employee Relationship

Employer- employee relationship is vital for the smooth continuity of the business. The happier the employees with their manager or leader, the more productive and loyal to the organization they become. When employees are unhappy with their leader, they become spiteful and grievances would be flowing in daily. Managers need to treat employees fairly and with respect, as much as they would expect from employees. Managers also need to be trained on people skills and communication conflict resolution. “Employees do not leave the company, they leave their manager”, this is true in most cases. It is also true with high performing employees, as unskilled managers do not know how to handle them. Some block every opportunity for employees to succeed (Jackson, 2011). In this manner, managers need to be trained to become leaders. A leader needs to be consistent in decision making and be equally fair to all employees. Managers need to create a culture whereby all employees are included, promote team work, respect and ease of communication. The organization also needs to invest in management development and training on how to work with people (Yazinski, 2009).

Bersin (2013) highlights that most retention programs include relationships between the managers and employees. Employees who have a good relationship with their direct manager seem to be more satisfied and are more likely to remain in the company. Managers need to create a good working atmosphere to make sure that the employees remain within the organization. They must also have an open-door policy, in order for communication to be easy. Employee recognition and assistance programs by management maintain employee satisfaction. According to the Society for Human Resources Management (2015), employee replacement costs can be as high as 60 percent of an employee’s annual salary. Management needs to be fair to all employees and do not show favoritism (Scott, 2012). Maintaining a strong employer-employee relationship can be the key to the ultimate success of an organization. Organizations that invest in programs to increase employee have seen increases in the productivity and employee morale (O'Brien, 2014).

2.5. Feedback and Communication

Communication is very important in the business environment, especially where people are involved. It can be face to face as a team, one on one, emails, a call or any other means at

the company disposal. Regular meetings with the teams ensure that communication is maintained all the time. Most companies hold morning meetings before the shift starts to share previous day's production, issued and that day's plan of action. New information can also be shared in these meetings and employees can raise their concerns as well. It is also important to have brainstorming sessions on projects at hand or just issues. Inputs can be collected and used to come to the final decision (Savage, 2009).

Lack of communication in the work place is one of the highest contributors that affect employee morale. Employees deserve to be informed on how the company is performing and how they can help to steer it into the right direction (Scott et al, 2012). The company's vision for the future needs to be effectively and consistently communicated to all levels in the organization. Opportunities for growth and rewards proposition need to be communicated regularly. Direction and current position of the company, for instance, sales figures, profits, loss, new projects, to mention a few, need to be shared freely and this help employees know that they are important and part of the family Guinn (2013).

It is clear that having proper retention strategies is the key to retain employees. According to Foster, the founder and CEO of the Foster Institute, in order to nurture an environment that motivates and stimulates employees, managers need to incorporate motivation-building practices into their corporate culture. These practices include listening to employees and respecting their opinions and being available to them when needed. Small businesses must not assume that the employees are happy because they see them in their premises every day. Management needs to schedule regular reviews with employees, where they can give constructive feedback and re-align the departmental objectives. All employees need to be given feedback about their performance periodically as part of the retention strategy. Previous studies show that it does not end with employee acknowledgement, but constructive criticism, where they did not do well, is also welcomed as they want to improve (Bator, 2014).

2.6. Employee Engagement and Responsibility

Being at work does not mean the employee has to deal with production only. There are other exciting activities that employees can do to keep them motivated, besides working. Extra responsibilities of being a health and safety representative means a lot to other

employees, as they get to learn new skills and interact with other team members in the business. Making some of the employees act on your behalf when a manager is absent or in meetings encourages employees as well. They know that management can trust them with the business. Well experienced employees can be given the tasks to train other employees on their field of work. Experienced people like to share their wisdom and experience, so giving them the opportunity boosts their confidence and moral thus, using such employees is the best way to transfer skills to other employees (Churchard, 2013). Alfes et al. (2013) discovered that the more engaged the employees, the more chances of them staying with the organization. Participation of employees in information sharing has been proven to reduce the negative effect on employees quitting (Cottini et al., 2009).

When new projects are created in certain departments, it is important to involve employees who would be directly affected by the change. There is also the need to develop an idea generating method, whereby employees can post their ideas about how the company can improve. Studies show that most ideas about the improvement of a certain job come from the people who are currently doing it as they are the custodians of the process. There must be a feedback mechanism for all ideas that were generated and which ones are going to be used. Encourage ideas and reward good ideas, even if they would be implemented in the future (Bradley, 2015). Sherrie Scott of Demand Media (2013) suggests that organizations need to form problem solving teams like Kaisen teams or Continuous improvement teams that involve blue collar employees. The teams should be allowed to make their own decisions and also do the changes. Decision making responsibility gives employees a sense of confidence and that of belonging, as well as a belief that management trusts them with the company (Pfud, 2016).

2.7. Job design

Bauer and Erdogan (2013), in their book “Motivating Employees through Job Design” highlight that jobs that are allocated to employees must be aligned with their skills and passion. Employees perform at their peak when they do what they like and enjoy. As the younger generation enters the market place, it is very hard for companies to keep this age group. Work force between 25-30 and 31-35 get bored more easily on one job hence, they are always looking for new challenges, the reason for them to change jobs every 2-3 years. Work force that is more than 40 years of age seems to be settled down and chances of

changing jobs are often very slim. For younger people, a higher position might not be their main objective, but an exciting, challenging and innovative job can be their motivator, while the older generation might want a good paying job and job security to take care of their families (Scott, et al, 2012).

The quality of the relationship between an employee and his or her immediate supervisor is vital. Role clarity including job definition, communication and reinforcing of performance expectations is important. Job design including job scope, promotion opportunities and opportunities to participate in decision-making is also vital. Sometimes offering pay increases or bonuses to keep people at the organization may not be the most efficient way to address retention (Cappelli, 2000). Involving employees on a variety of assignments gives them an opportunity to learn new skills. Employees also need to be provided with the necessary resources and support to do their new assignment and always give feedback on how good they are and assist where ever they are lacking and not blame them for mistakes.

Gomes (2014) encourages talent management by the management team. It includes recognizing individual's talents and assigning them where they can fully utilize their skills. Employees feel more confident when they do what they like and this increase retention. A well-written job description sets an employee up for success by outlining their responsibilities and the parameters of their position. Job descriptions also show how an employee's position contributes to the mission, goals and objectives of the organization (Mayhew, 2013).

2.8. Remuneration, Benefits, Rewards and Recognition

Baafi (2011) concluded that as much as benefits and high salaries are important, organizations should not only depend on them as a tool to retain skilled employees. Different employees are motivated by different factors including but not limited to working environment, growth opportunities, challenging work, etc. Most managers in the organizations are given power or authority to retain their best workforce, but they lack the strategy and skills to do so (Alex, 2011). Reward and recognition keeps employees productive as they know that good performance is rewarded. Team and organization success must be celebrated by all to keep employees motivated. A simple "thanks you" builds self-esteem to an employee that goes a long way.

According to Hurd et al (2015), compensation refers to financial rewards offered to employees, including salary, medical aid, 13th cheque, bonuses, time off, company car, study leave, family responsibility leave, car allowance etc. Most surveys show that employees leave their jobs for better pay and benefits. Better perks offer can reduce employee turnover as employees would feel more motivated to stay longer (Gomez, 2014). According to Smith (2001), more money can lure best employees to the organization, but it is not guaranteed to keep them. Ashby and Pell (2012) share the same sentiments that money satisfies the employee, but it is not sufficient to retain the employee. Added benefits that employees receive on top of the normal salaries are the best motivators for employees to stay. Previous studies show that 76% of employees say that an overall benefits package contributes to the decision to stay or to leave a current employer. Forty five (45) % said improving their benefits package is one thing their employers could do to keep them in their jobs (Johnson, 2015).

Most employees who are fairly compensated tend to provide better customer services, which could result in organizational growth and development. Compensation is also used to motivate employees to work at their peak performance and improve morale (Bean-Mellinger, 2010). Benefits are a widely-used tool for employers who use them as a lever to attract and retain workers, although some researchers disagree with that school of thought. Employee surveys indicate that workers value employer-sponsored benefits as they are convenient and often cheaper to buy because of group rates (Bradley, 2015).

2.9. Working Conditions, Work -Life Balance

Employee satisfaction is the degree to which employees feel personally fulfilled and content in their job roles and the environment around them. Workplace environments greatly influence employee satisfaction, which in turn directly affects employee turnover rates. Knowing how to use a positive work environment to increase employee satisfaction and reduce turnover is a key to developing a high-performance workforce (Ingram, 2015). People love to work in an environment which is fun, where there is free movement and there is good spirit all around. Management thus needs to create that environment for their employees to keep them motivated, because sometimes fun might be what they are looking for to reduce stress and pressured stress (Baafi, 2011). Always appreciate an effort no matter how small it is (Oak, 2003). Creating the productive and pleasant work environment

has a drastic effect on an employee's loyalty to the business. It encourages a loyal workforce which in turn improves employee retention, reducing the cost of recruitment when hiring and training new staff (Schmidt, 2016). Conducive working environment also reduces conflict within the workplace, resulting in employees being able to concentrate on their jobs and becoming more productive. Good relationship also increases communication between the manager and the employer (O'Brien, 2014). For example, some social needs and family responsibilities outside their jobs can force the employee to remain in the job. Leaving the job and the area can cause destabilization in their social life (David, 2008).

Christmas (2008) states that the availability of the necessary equipment in each work area and ease in locating it are amongst the top things that would influence workflow and better working conditions satisfaction. Managers know that the success and prosperity of the company is closely related to the well-being of each employee. To get employees' maximum contribution, they need to be treated with respect and dignity. While other studies have demonstrated the importance of pay, working area organization and working conditions shapes employee satisfaction. Work environment consists of different factors such as company culture, management styles, work teams, health and safety, policies, etc.

2.10. Organization Culture

Heathfield (2011) discovered that skilled and talented employees want to work for the company with a strong and well communicated vision. The organizational culture is what people from outside and inside perceive the company as. It is how things are done, the rules in place, the management styles, employee behavior, etc. High performing employees want to be associated with the company whose purpose and culture is clearly defined. They want an environment which is stimulating, fun and that can challenge them intellectually. Managers also need to hire employees who are culture fit to the organization. The organization thus needs to dedicate more time to refining its culture and hiring based on it (Scott et al, 2012).

Organizational culture has to be given a deserved respect as a valuable asset and a key motivator of the success of the organization, in terms of recruitment and retention drivers. Some organizations clearly understand the importance of organizational culture and dedicate resources to sustain and improve it, but still not given enough time to drive it. The American Management Association (2009) stated that through positive culture,

organizations can gain increased productivity, talent retention and improved performance. Hunt (2012) points out that the reason why companies recruit around culture is that while job demands and requirements constantly shift, a defining characteristic of culture is that it remains constant through all the changes. New employees employed due to their fit with the company culture are more likely to add more value to the company. A well-structured and practiced company culture helps people work well together to adapt to changes. This indicates the need to emphasize culture in the candidate interview, share a brief description of the company culture to the candidates (Davidson et al., 2007). Candidates who are in demand will always choose the organization with better cultural fit to theirs (Haenn, 2012). Miller (2015), states that culture needs to be reinforced. The company culture needs to be driven and practiced by top management and reinforced within the norms of the way people behave, communicate and interact with each other. The key is to make these critical drivers of corporate culture a foundation to strengthen an organization. Management must make sure that all new employees fit within the organization's culture. Management also needs to listen attentively and show interest in new ideas suggested by employees. New ideas need to be embraced and be rewarded. Management thus needs to show support for individual's initiatives to promote creativity and to boost confidence to employees. Management must leave by company values and promote its culture (Miller, 2015).

South Africa has diverse cultures which need to be dealt with and addressed very carefully. These need to be built-in within the company policies for fair treatment of all involved. Miller (2015) emphasizes on the culture, arguing that culture needs to be enforced and driven from the top. Company culture also determines how the outside world perceives the organization. Most skilled and experienced employees would prefer an organization with a good cultural fit to theirs (Haenn, 2012).

2.11. Recruitment Process

Recruitment is the process of hiring new employees into the company. This is the most important aspect of human resource, of bringing in new members to the family. The Human Resource and departmental managers responsible for hiring have to recruit right people from the very beginning. A hiring mistake can be a future's problem. Hiring talented and skilled employees is important as it gives the company a better competitive advantage over its rivals (Oak, 2003). The recent survey conducted in South Africa on over

100 small businesses revealed that the common challenge across the businesses was to hire people who fit the profiles for the jobs available and retaining them for a long time (Lucas,2013).

South African organizations have some unique challenges when it comes to attracting and retaining people. Howard Davey of OTIS SA says: “The need for effective attraction and retention strategies is not restricted to South Africa; however South Africa does have added complexities, as in addition to technical skills shortages, there is a general shortage of basic managerial and leadership competencies’’. Whether the company is employing for the new business or growing an existing one, the hiring process should be tailored to attract the best talent. There is need to develop a candidate profile list that suits the business and the position advertised. It is also important to ensure all stakeholders understand the vision of the hiring process and profiles to make sure the roles are clearly defined and the right candidates are selected (Halvorson, 2013).

Scott (2013) of Demand Media also acknowledges that effective retention strategies often begin during the employee recruitment process. Employees are more inclined to remain with a company that fulfills the promises made when their employment offer was given to them. Companies that provide a realistic view of their corporate environment, advancement opportunities and job expectations to new hires can positively influence employee retention. Poor recruiting practices can increase unsatisfied employees due to misrepresentation of actual job titles, duties, job description, job design, pay, location, etc. These recruiting failures lead to retention failures as well (Griendling, 2008).

2.12. Cost of Retention to Business

McKinsey (2012) conducted a study that focused on war on talent. The results showed that the employee turnover rates are at 25% per annum. Basically, these results suggest that most organizations would replace their entire workforce in every four years. There are lots of costs associated with retention. Costs may include, but not limited to advertising in different media, conducting interviews, travel of interviewers or interviewees, training after recruitment, etc. Operational costs can also be felt where the new employee can be less productive during training, low customer satisfaction and the general disruption on operations. High turnover has a negative impact on employee morale, productivity and

company revenue. Recruiting and training a new employee requires staff time and money. Turnover is high, especially with the millennial generation. Operations also get disturbed when employee leaves, leading to knowledge and skill gap that creates more work for the remaining employees (Gomez, 2014).

There is almost 1-2 years' loss in productivity by new employees as they need to learn how the company operates and trying adapting (Bersin, 2013). According to Sand (2015), to replace an employee costs between 60%-200% of the employee's total annual salary, depending on the level of the position. The higher the position, the more expensive it is to replace. In a competitive environment, high employee turnover translates into higher operating costs, loss in profits and a loss of market share. The costs of recruitment may be hidden, but they still exist. If an employee leaves a company, the company must anticipate at least 10-20 percent increase in salary for the new employee. In some cases, the salary increase can be as high as 50 percent. The culprit for this huge salary increase could be Human Resource (HR) tactics that only allows lower raises for the current employees and forced to pay more when the new employee from outside the organization comes along (Borysenko, 2015).

Most small organizations do not know the real cost of employee turnover. Companies do not have a quantitative measure in place, on how to track the costs related to loss of production, recruitment process, training and loss of expertise. This would take collaboration among departments like human resource, finance and operations to develop the best methods to measure the cost and reporting tools (Merhar, 2013). The cost of employee turnover for businesses is high, irrespective of the level of wages being paid to the departing or incoming employees. Complex jobs that require higher levels of skill, experience, education and specialized training have higher turnover costs. There is always a high loss in productivity due to the need to hire temporary employees to fill the post (Boushey and Glynn, 2012).

Elkjaer D., Filmer S. (2014) found that executive positions which are well-compensated and have stringent educational credential requirements have higher turnover costs than jobs with low educational requirements. There is a cost incurred as the new employee learns the new job, including reduced quality, errors and waste. When individuals leave any organization, they are more likely to join the competitors where confidential data may be

taken along with them, where the organization's plans can be leaked and used by their rivalry before they can implement them.

2.13. Strategic Retention Plan

Company management needs to identify and document the reasons behind the departure of employees in their company. Conducting exit interviews to employees leaving the organization helps to build the important data which can be used as a base. More data collected would help HR and management about the unresolved issues that need addressing (Gregory, 2007). The organization needs to develop an exit interview that covers all aspects of motivation mentioned in this study. It is also important to give the outgoing employees a chance to give suggestions for improvement to assist management. Exit interview surveys results must be incorporated in an organization retention strategy (Oak, 2003).

When analyzing data for retention reasons, trends or reasons that yield high from the employees should be monitored closely and addressed first and they result in solving most of the issues. Using external consultant also helps to identify retention reasons as they come with a different view and are experts in the field of retention. Recommendations by retention consultants would assist the organization to implement modern strategies used locally and internationally (David and Allen, 2008). On previous exit interviews conducted by other industries, the salary, benefits, succession, direct manager and the work environment were the highest. Employees need to grow within the company and they also want to be paid well. If they feel that they have reached the ceiling, they opt to look for work elsewhere. New employees need to be made aware of the terms and conditions of the contract they are signing when joining the organization and only sign when they agree to them, to avoid future conflicts. Other packages that include medical aids, bonuses, leave pays, car allowances, time off, study bursaries, etc. need to be discussed upfront and included in the total package (Bradley, 2015).

Employee recognition goes a long way in retaining talented employees. Employees need to be appreciated for the work well done. Recognition should be done publicly where everyone can see to boost employees' morale (Baafi, 2011). Unresolved disputes among employees or an employer forces employees to look for comfort elsewhere. Conflicts and grievances must be avoided and solved timeously to maintain the dignity of the work place

to avoid the spread of negative vibes to other employees. It is also important to build the team by organizing team building exercises like outdoor team picnics, informal get together for the employees to know each other better, as well as to strengthen the bond among them. Friendship among employees is one strong factor which helps to retain employees (Ingram, 2013).

When a job starts to be monotonous, boring and nothing new or challenging to offer, employees start to look for excitement somewhere else. It is important that employees enjoy what they do. The responsibilities must be delegated according to the individual's specialization and interests. It is the responsibility of the team leader to assign challenging work to his team members for them to enjoy the work. Job rotation gives employees new and exciting challenges. Thus, employees must be given new projects outside their daily work scope to keep them on their toes (Leddy, 2014). Learn Direct (2008) advises organizations to invest time and money in grooming individuals and make them ready to work and understand the corporate culture. A new employee is completely raw and the management really has to work hard to train him for his overall development. Offering bursaries and external courses motivates employees to stay for longer. Having a succession plan in place helps identify talent and drive it in the right direction.

It is essential to encourage training and development and personal growth. Organizations need to create mentoring programs and create ongoing performance feedback programs (Yazinski, 2009). It is equally important to ensure that every staff member has the tools to achieve their professional goals. Employees should also be afforded the ability to attend training whenever the need arises (Freifeld, 2013). Further training and development needs to be offered to employees who want to further their studies. Fig. 2.1 shows a retention plan that management can implement in order to better their retention plans.

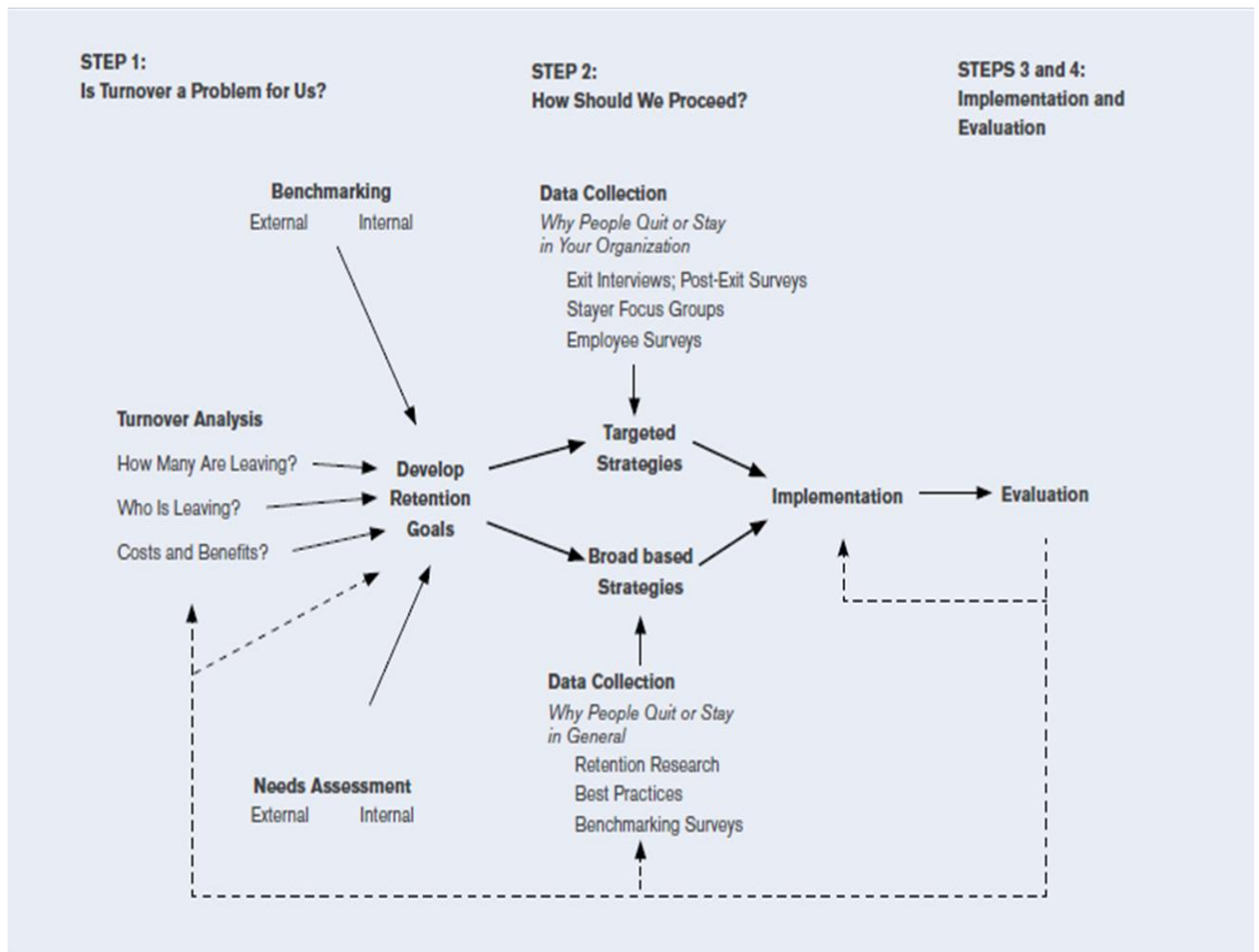


Fig 2.1 Retention Management Plan

Source: Adapted from Scott, McMullen and, Royal, 2012. Title: Retention of Key Talent and the Role of Rewards. SHRM Foundation.

2.14. Summary

For an organization to do well and earn profits, it is critical that it keeps its top performing employees within the company. Management must make time to listen to the employee's point of views and concerns. Employees want to be taken care of in order to know the company value them. Regular feedback on performance is vital for employees. Employees also need to be offered growth opportunities together with grooming, coaching and support for the next available positions (Yazinski, 2009). Research shows that a number of employees leave the organizations because of constant disagreements with their direct managers or other team members. Proper conflict resolution is vital that will be fair to all involved. In most cases, unsatisfactory salary and lack of growth opportunities forces employees to look for work in other organizations that will satisfy their needs. Azuma

(2007) believes that empowering employees in terms of allocating them more challenging jobs makes them more eager to learn. As the new generation enters in the market place, retention strategies which were used by our ancestors need to be modernized, since different generation and age groups have different needs. Schawbel, D. (2016) concluded that new generation employees are looking for flexible jobs, flexible working hours, work from home type of environment, learning from the studies available and from other organization's experiences, it should therefore be easy for organizations to learn from them and put it into practice in their own companies.

CHAPTER THREE

Research Methodology

3.1. Introduction

The techniques used to conduct a study have a huge impact on the results of the particular research. It is therefore important to choose a methodology that can simplify the collection and analysis of the data (Kumekpor, 2002). The study employed on the quantitative research method, using the questionnaires to collect data. This chapter demonstrates the research methodology that was used in conducting this research. These include the methods and techniques that were used to address the questions of the research. It also discusses the area where the research was conducted, the population size and sample group selected, the data collection techniques, questionnaire design and administration, data analysis and interpretation. In addition, the limitations of the study and other ethical considerations are also discussed. It is therefore essential to reiterate that the aim of this study is to determine the relationship between employee retention and several variables linked to employee retention.

3.2. Research design

Research design is defined as a plan on how the study will be conducted provides the frame work of how the data will be collected. Macmillan and Schumacher (2001) define research design as a plan to select subjects, data collection procedures and a site where the study will be conducted. Research design concentrates on the end results of the research and the steps taken to reach those results or outcomes.

3.3. Research Methodology

Research methodology is a theory on how the study will be done that includes data collection through reflective interviews, questionnaires etc. it focuses on the research process, tools to be used and procedures. There are a number of research methods but the most common one is quantitative and qualitative methods. Qualitative method is mostly used to study everyday behavior of groups of people; it attempts to make sense of the situation and to interpret it. According to Domegan and Fleming (2007), qualitative research method goal is to explore and realize concerns on the problem being investigated. Quantitative research method results in statistical results using tables and graphs.

Quantitative research method uses surveys, questionnaires to collect data and then presented in tables and graphs. It expresses correlation, relationship, frequencies, and differences between variables to test the theory. The mixed method approach combines methods, research design, and the philosophy that are combined to develop a mixed approach method (Creswell and Plano, 2011). Mixed method is when a researcher uses both quantitative and qualitative techniques and their methods in a single study to conduct a study. It is mostly used to explore strengths of each method in order to strengthen validity of the research. The suitability of which technique to choose is determined by the purpose, context and research question nature.

In this research a quantitative method of data collection was used following a descriptive approach. This method was chosen for this study so as to find the correlation between different variables. Its advantages is that it can provide quantifiable information about the population, it can be presented in a numerical format, its data can be analyzed using statistics, data can be collected using questionnaires which is the most effective collection method, the research question for the study is pre-determined and study can be repeated or replicated whenever required. If used correctly, its results are clear and unbiased.

3.4. Participants and Location of the Study /Study Area

The study was conducted at Whirlpool SA, an organization based at Isithebe Industrial area in the North of Durban. Whirlpool is a household electronic manufacturing company employing more than 700 employees consisting of skilled and semi-skilled labor.

3.5. Population of the study

According to McClendon (2004), the population of the study is the total number of possible units or elements that are included in the study. It is the aggregate of all the units that have a chance of being included in the sample to be studied. The population of the study thus comprised the middle managers (6) and general workers (149) and the number which made a total of 155 employees.

3.6. Sampling

Sampling is a process of selecting a subset of people from the total population in order to estimate the behaviour of the entire population. According to Scott and Morrison (2007), sampling is a selection of people or things from a whole population to study the conduct of

the population. In this study a simple random sample was used as it is a sample selected in such a way that every possible sample of the same size is equally likely to be chosen.

3.7. Sample Size

Sample size is when a researcher chooses a number of respondents that need to be included in the statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. According to Haslam and McGarty (2003), a sample size must be sufficient enough in order to exemplify the main population. When a sample size is large enough, it reduces the uncertainty on the results of the study and reduces inappropriate assumptions.

A reasonable sample size should include the following:

- The assurance that the researcher is looking for in the data.
- Reasonable margin of error that a researcher can tolerate.
- The relationship type that the researcher wants

3.8. Data Collection Procedure

A systematic approach of gathering information from a chosen sample to measure, answer a question or to determine a behavior of the population is referred to as data collection. Data collection includes secondary and primary data collection methods. Secondary data is data which is ready available from previous studies while primary data is data that still needs to be collected either by quantitative or qualitative methods that are discussed in 3.3 above. In this research a quantitative data collection method was used.

3.9. Research Instrument

Research instruments are measurement instruments used to collect data in a research e.g. questionnaires. Questionnaires were used to collect data for this study which were distributed by the human resources practitioner. The questionnaire included demographic information and the factors that affected employee retention with 5 sub-question for each factor. The questionnaire method was used due to the fact it is cheap to conduct, easy to administer and can be used to collect large numbers of data in a short space of time. Questions are also standardized, offer anonymity, and ease of data analyzing at the end of collection. All questions were close-ended, with only a rating to choose from. Only one

open-ended question was included, which allowed the respondents to express their views on the topic.

3.10. Questionnaire design

The purpose of a questionnaire is to investigate attitudes, beliefs, feelings, behavior, knowledge and demographic characteristics from the sample chosen from the population (Webb, 2002:23). Questionnaires can consist of open or close-ended questions. Open-ended questions do not provide the respondent with a prior list of answers, but rather provide space where the respondent can write his/her own answer. Close-ended questions give a respondent answers to choose from. A good questionnaire should consist of the following characteristics i.e.

- Instruction should be clear on how to answer the questionnaires and what needs to be done.
- Questions should be short and complete
- Always start with general or demographic questions
- Most sensitive questions must be structured at the end of the questionnaire
- Questions should be close-ended
- Dichotomous (yes | no) and multiple choice questions can be used.
- Always avoid leading-questions.
- All questions must be simple, concise and relevant to the research question
- Always think about the intention of how the collected data will be used when designing the questionnaire.

3.11. Questionnaire administration

According to Saunders et al. (2003), once a questionnaire is designed, pilot tested and amended, the questionnaire can be used to collect data. There are various ways available for administering a questionnaire. Examples of these include postal questionnaires, online questionnaires and self-administering of questionnaires. The questionnaires for this study were administered by the following method:

- The content of the questionnaires was discussed with Whirlpool Human resource practitioner.
- Questionnaires were then left with the Human Resource practitioner for distribution by email to those with printing facilities.

- Hard copies were also printed and manually handed to employees with no printing facilities.
- The Human Resource personnel had a meeting with the chosen respondents to assure respondents' anonymity and confidentiality of their participation.
- The importance of responding was also stressed as the organization was going to benefit from this study as well.
- Respondents were given two to three weeks to fill the questionnaires.
- The researcher and human resource agreed that HR will make a weekly follow-up to remind the respondents, and then the researcher would come and collect the questionnaires.

3.12. Pretesting and Validation

3.12.1. Pre-testing

Draft questionnaires should be done and tested informally. Colleagues and friends were used to test the questionnaires by reading through to them and ask for constructive comments on the layout and wording. Conducting a test allows the researcher to avoid any potential problems that may be encountered in the field. Draft questionnaires were also submitted to the supervisor for evaluation and amendments.

3.12.2. Validation

Validity is described as the degree to which a research study measures what it intends to measure and how truthful the research results are, to what needs to be investigated (William and Trochim, 2006). According to Shuttleworth (2009), validity is an indication of how sound the research is and it applies to both the design and the methods of the research. It means that the findings truly represent the phenomenon that the researcher claims to measure. A pilot study needs to be conducted in-order to validate the statements in the questionnaires to test if they would extract the information required. Colleagues who deal with research were requested to validate the questionnaires before distributing them to the participants. The company's human resources were also requested to validate the questions. Amendments were then refined and handed to participants after recommendations were received. According to the Cronbach's scale the following table is used to determine the reliability i.e.

| | |
|-------------------------|--------------|
| $\alpha \geq 0.9$ | Excellent |
| $0.9 > \alpha \geq 0.8$ | Good |
| $0.8 > \alpha \geq 0.7$ | Acceptable |
| $0.7 > \alpha \geq 0.6$ | Questionable |
| $0.6 > \alpha \geq 0.5$ | Poor |
| $0.5 > \alpha$ | Unacceptable |

Cronbach's Alpha testing shows that data instrument reliability is 0.8789 while Cronbach's alpha based on standardized items is 0.8994 from the 122 subjects sampled. This shows that the instrument used is good and reliable reliable.

3.13. Data Analysis and Data Interpretation

Descriptive statistic was used in analyzing the data collected. This type of analysis helps to describe, summarize the data in a more meaningful way such that patterns are derived from data. Its aim is to summarize the data from the sample. A quantitative approach was also used to analyze data for this research. Statistical techniques were used to simplify the research findings. The purpose of analyzing data is to obtain usable and useful information. The analysis may describe and summarize the data, identify relationships between variables, compare each variable, identify the difference between variables and forecast outcomes. The job satisfaction was analyzed using regression analysis. Graphics like histogram, pie graphs, etc. were used to represent the data.

3.14. Limitations

- Some employees may exaggerate on their responses due to negative experiences.
- The number of respondents can be an issue, depending on the willingness of the employees to air their views using the questionnaires
- The time frame that the respondents took to fill the questionnaires before the due date
- During the data collection month, there were service delivery protests in Isithebe, where Whirlpool is based. The company was thus closed for two weeks, leading to a delay in collecting the questionnaires.

3.15. Ethical Considerations

Ethical issues are part of any research and needed to be dealt with in a most sensitive manner as it involved humans. The most important ethical issues that concerns the participants in any research includes ensuring no harm to the participants, anonymity and confidentiality, voluntary participation and the right to withdraw at any point in time during the research. All these concerns were addressed before the research commenced. These concerns were dealt with in the course of data collection. The researcher and human resources personnel assured the respondents that no participant would be disciplined or held accountable for expressing his/her true views on the matter. Secondly, all the respondents chosen were aware of the subject matter and what was being investigated, which made it easy for them to participate. The chosen employees for the survey were assured of anonymity and confidentiality. This was accomplished by only allowing the researcher to collect the questionnaires and letters of intent directly from the respondents. Respondents were also convinced that the researcher was pursuing an honest academic exercise for academic purposes and for the improvement of the organizations and by showing them a letter from the university and a student card.

3.16. Summary

This chapter offered the research design methods employed in the study. The target population and sample size were also identified, as well as the data collection procedures and techniques. Ethical considerations were also discussed and communicated to give confidence to the participants and to increase their participation. Questionnaires were pre-tested to validate their accuracy and wording correctness. The supervisor also helped in the validation process of the questionnaires. Data were analyzed using regression method in order to understand the behavior population. The limitations of the study were also considered, as they play an important part in the collection of data.

CHAPTER FOUR

Presentation of Results

4.1. Introduction

This chapter presents the data analysis, presentation and interpretation of the findings using frequencies, as well as descriptive statistics. Some data are presented as figures, tables and narrative text. The study population for this research consisted of 155 individuals. Participants included employees from different department team leaders, as well as management. Questionnaires were distributed to more than 150 respondents, of which 124 completed questionnaires were returned. Response rate of 83 percent was achieved for the survey. The first part of the questionnaire investigated the demographic information of respondents such as gender of the sample, age of the sample, level of education, length of employment and job search. The second part aimed at gaining information about the work itself, company and other employee retention issues.

4.2. Respondents Profile Analysis

4.2.1. Gender analysis

This shows gender breakdown of the respondents. There was 45% male and 55% female respondents.

Table 4.2.1 Gender

| Gender | | |
|-------------|-----------|------------|
| Gender | Frequency | Percentage |
| Female | 58 | 48% |
| Male | 64 | 52% |
| Grand Total | 122 | 100% |

4.2.2. Age Analysis

This table shows age distribution of all the respondents

Table 4.2.2. Age analysis

| Age Group | | |
|-----------|-----------|------------|
| Years | Frequency | Percentage |
| 20-30 | 30 | 25% |
| 31-35 | 32 | 26% |
| 36-40 | 28 | 23% |
| 40+ | 32 | 26% |
| Total | 122 | 100% |

4.2.3. Respondents' level of education

This table shows the level of education of all the respondents.

Table 4.2.3. Level of education

| Level of Education | | |
|--------------------|-----------|------------|
| Level | Frequency | Percentage |
| Matric | 36 | 30% |
| Higher Diploma | 24 | 20% |
| Certificate | 48 | 39% |
| B-Tech+ | 14 | 11% |
| Grand Total | 122 | 100% |

4.2.4. Respondents' length of service

This table shows the length of service distribution of all the respondents

Table 4.2.4 Length of employment

| Length of Employment | | |
|----------------------|-----------|------------|
| Years | Frequency | Percentage |
| 0-1 Years | 14 | 11.5% |
| 10+ Years | 33 | 27.0% |
| 2-5 Years | 27 | 22.1% |
| 6-10 Years | 48 | 39.3% |
| Grand Total | 122 | 100% |

4.2.5. Job Search in the last 12 Months

Table below shows job search versus the level of education distribution of all the respondents during the last 12 months. It shows that 53% of the workers did not look for work while 47% did look for the jobs outside in the past 12 months. The 23% that did not look for work had matric only.

Table 4.2.5 Job Search

| Job Search VS Level of Education | | | | | |
|----------------------------------|--------|----------------|-------------|---------|-------------|
| Looked for other Work | Matric | Higher Diploma | Certificate | B-Tech+ | Grand Total |
| No | 23.0% | 7.4% | 18.9% | 4.1% | 53.3% |
| Yes | 6.6% | 12.3% | 20.5% | 7.4% | 46.7% |
| Grand Total | 29.5% | 19.7% | 39.3% | 11.5% | 100.0% |

| Job Search VS Level of Education | | | | | |
|----------------------------------|--------|----------------|-------------|---------|-------------|
| Looked for other Work | Matric | Higher Diploma | Certificate | B-Tech+ | Grand Total |
| No | 28 | 9 | 23 | 5 | 65 |
| Yes | 8 | 15 | 25 | 9 | 57 |
| Grand Total | 36 | 24 | 48 | 14 | 122 |

4.2.6. Job Design and Skill

This graph depicts job design and skill usage of the employees. 50% of the employees agreed that they knew what was expected of them on their jobs, while 30% strongly agreed with the statement.

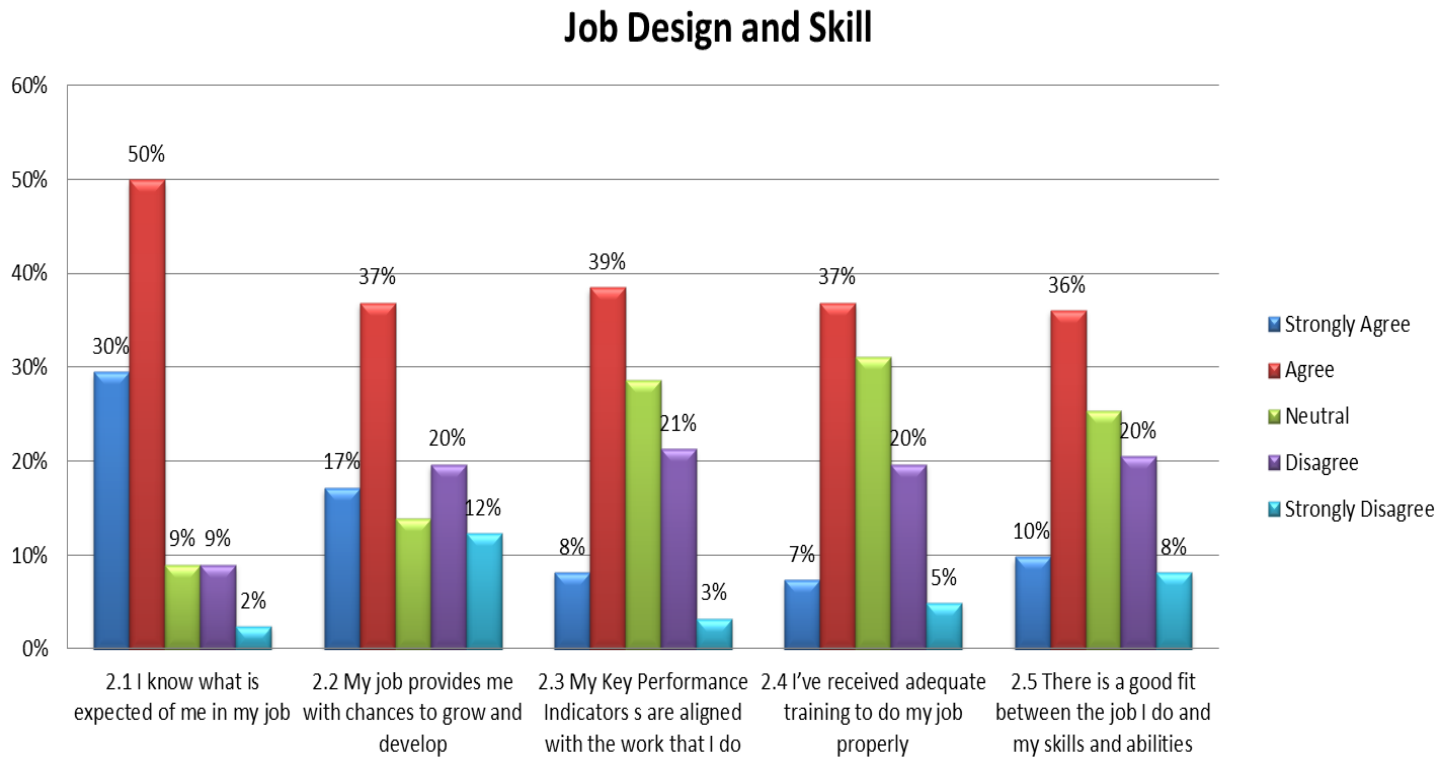


Figure 4.2.6 Job design and skills

4.2.7. Working Conditions

43% of the employees agreed with health and safety practices, while only 31% agreed on problem resolution. Problem resolution seemed to be an issue, since 20% disagreed and 22% strongly disagreed with the statement. The issue of resources to do the job was at 44% for those who agreed and 35% for those who disagreed. Worker relationship towards each other was at 44% for those who agreed, 19% for those who strongly agreed and 14% for those who were neutral. 50% of the employees felt that there was evidence of team work, while 18% strongly agreed with the statement.

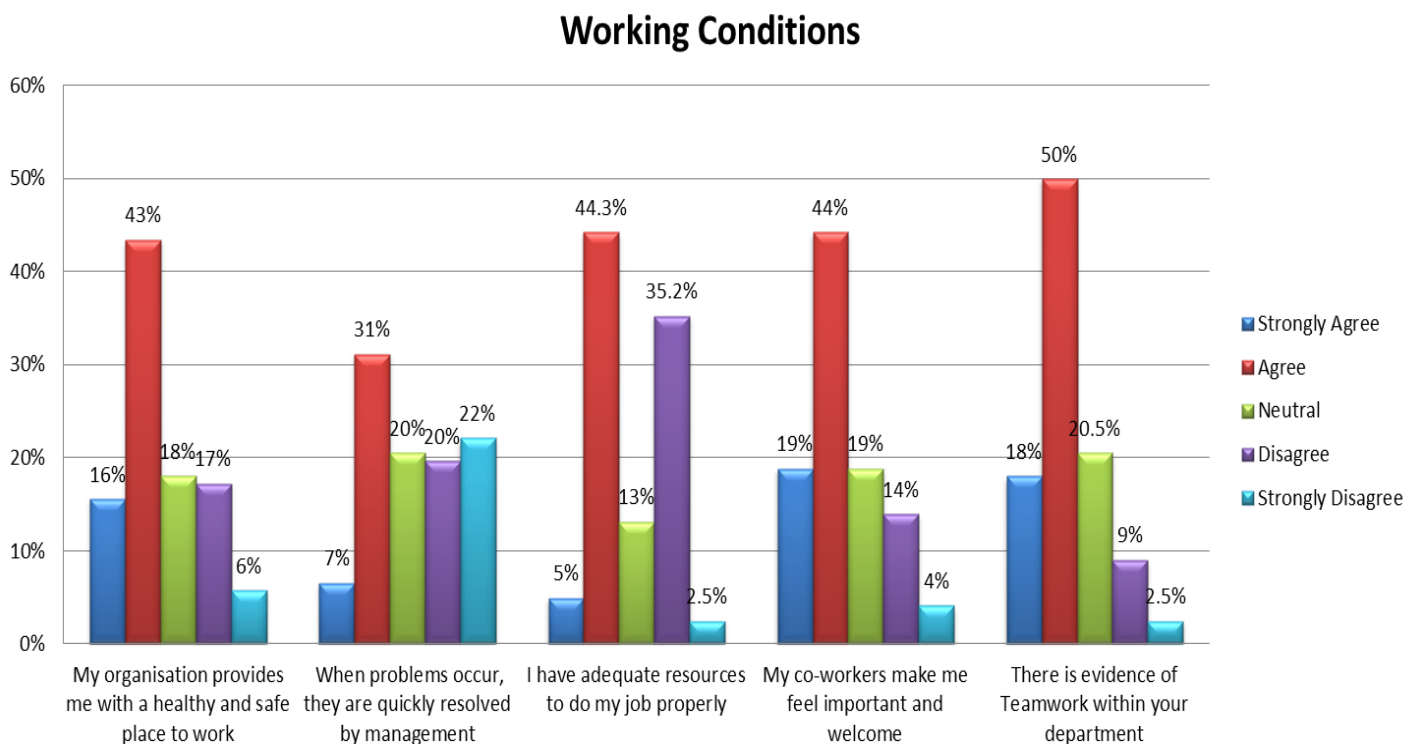


Figure 4.2.7 Working conditions

4.2.8. Line Manger Interaction

The question on whether the manager spent meaningful time with the team had 50% of the respondents who agreed, while 15% strongly agreed and 20% were neutral. The participants were also asked if the persons that they reported to have them regular feedback and coaching, to help them in their job. Out of the participants, 34% of the employees were neutral about the statement, while 32% and 11% agreed and strongly agreed, respectively. On the question of whether they were free to go to their immediate manager when they have a question or problem, only 30% of the employees agreed, while only 12% strongly agreed. 20% of the views were neutral, while 20% strongly disagreed and 15% disagreed.

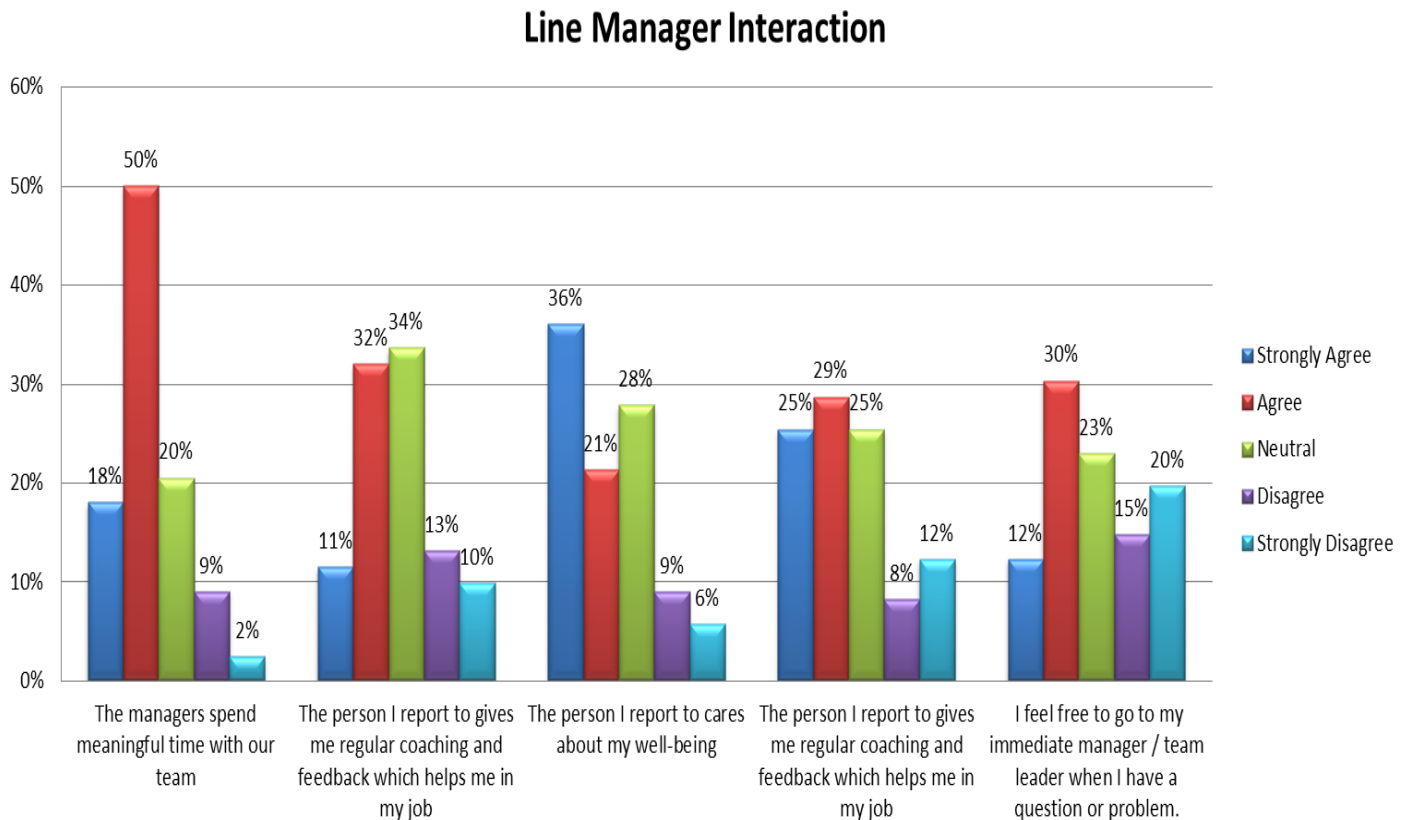


Figure 4.2.8 Line manager interaction

4.2.9. Attitude towards the company

Only 19% of the participants thought that their jobs were secured and 28% were neutral. 27% disagreed with the statement, while 22% strongly disagreed. 23% of them agreed that they would recommend a friend or family to join the company, while 30% were neutral. 21% of the total participants disagreed with the statement and 20% strongly disagreed. Regarding the company vision and goals, 32% of the employees were neutral, meaning that they were not sure, while 20% strongly agreed and 20% agreed. 16% strongly disagreed. Under company culture, 39% answered neutral, while only 20% and 8% strongly agreed respectively. 18% disagreed with the statement and 15% strongly disagreed. On whether their company provided equal opportunities, the following results emerged: only 25% agreed, 21% were neutral, 24% disagreed, while 25% strongly disagreed. Only 5% strongly agreed.

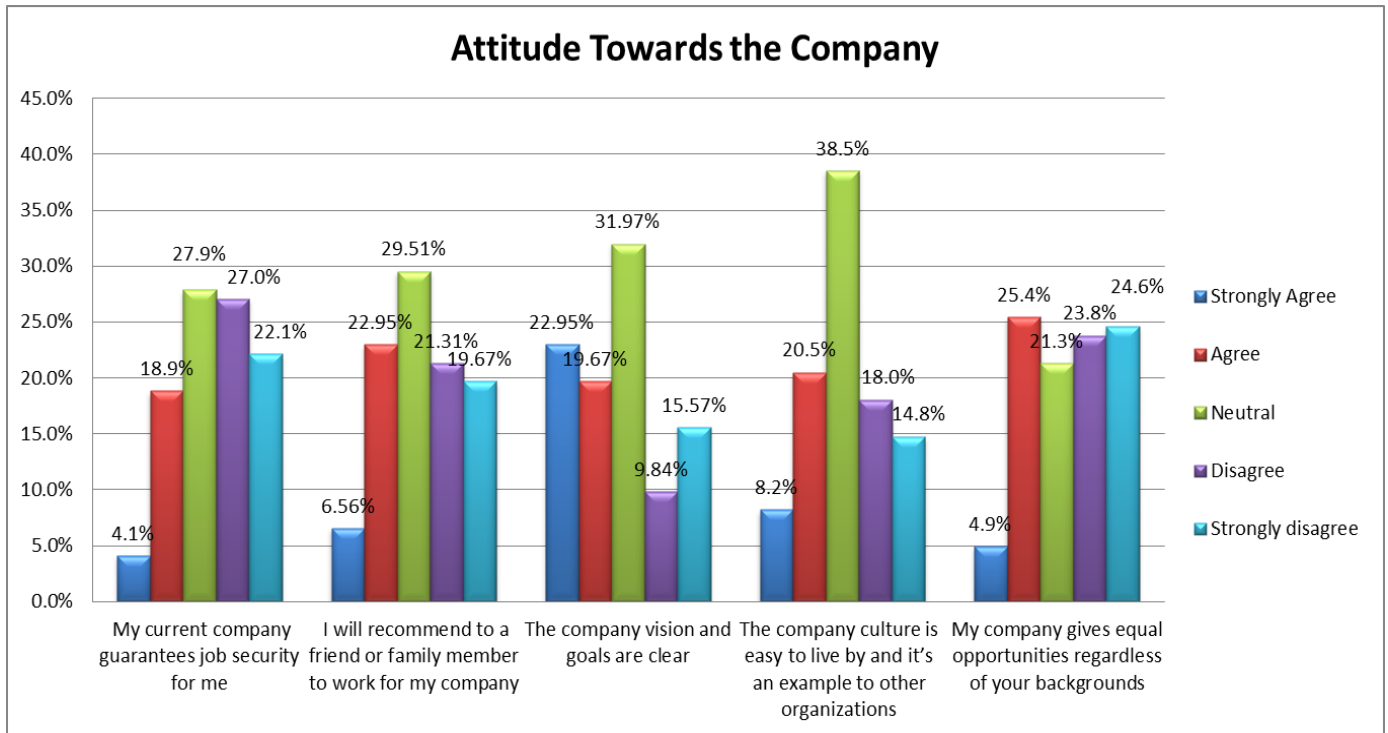


Figure 4.2.9 Attitude towards the company

4.2.10. Communication

Participants were required to answer questions about communication in their organization, whether it was open and honest, which saw 34% of the employees disagreeing with the statement and 12% of them strongly disagreeing as well. Only 25% agreed, while 11% strongly agreed. On whether the communication within the organization was frequent and timeous, 31% of the employees were neutral, 29% disagreed, while 24% agreed and 9% strongly agreed. The majority of the participants indicated that bottom up communication was encouraged and embraced by management. 33% agreed, while 25% was neutral. In addition, 17% disagreed, while 15% strongly disagreed. In terms of feedback on the performance of the company, 26% of employees agreed that they received regular feedback, while 30% were neutral. 19% of employees strongly disagreed with the statement. Participants were also required to indicate whether their company educates and communicates with customers, of which 50% of them were neutral, which could be that it was not communicated. 20% of the participants agreed and 11% strongly agreed.

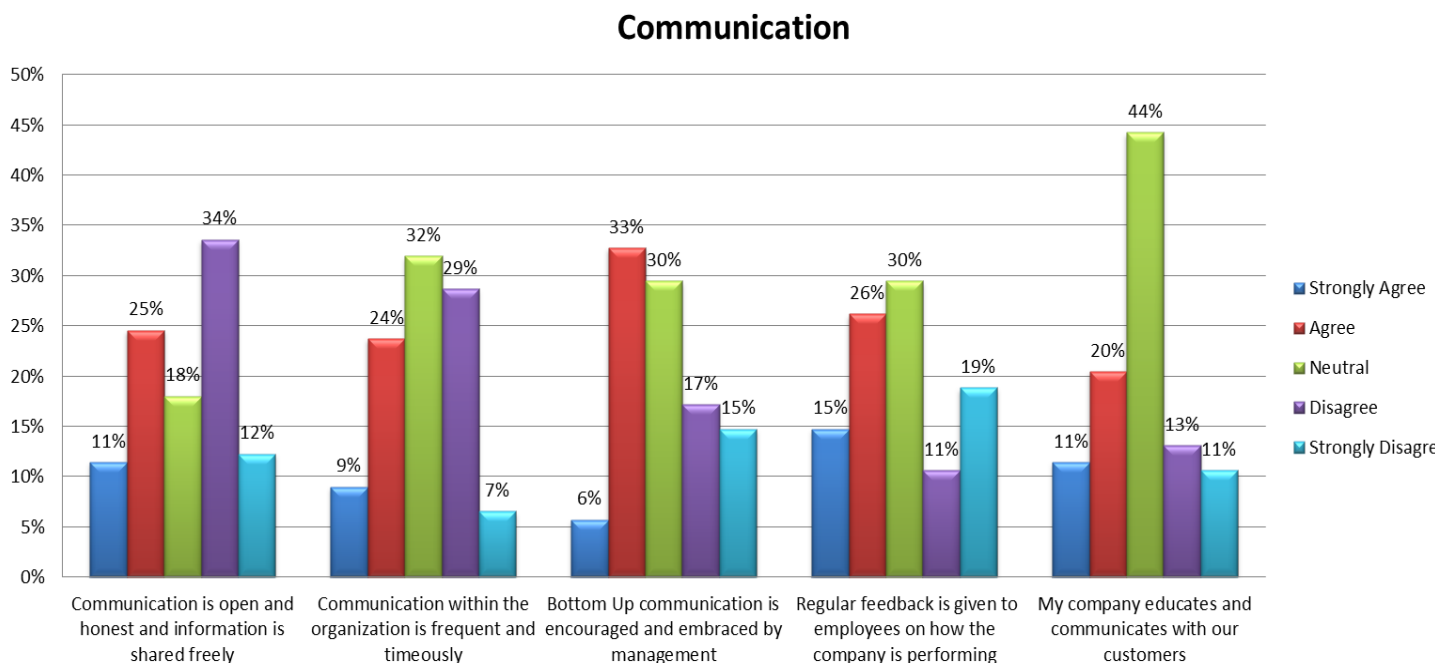


Figure 4.2.10 Communication

4.2.11. Employee engagement and responsibility

In terms of employee engagement and responsibility, participants were required to indicate if the meetings that they participated in were effective, to which 39% of them agreed, while 13% were neutral. Another 20% disagreed with the statement, while the remaining 17% strongly disagreed. On whether their company was open to different ideas and different ways of thinking, 25% of them strongly agreed, another 25% also agreed, while 22% was neutral. Only 10% disagreed and 18% strongly disagreed. In terms of their opinions being taken into consideration when management made decisions, 27% of the employees was neutral, 24% agreed, while 22% disagreed. Only 17% strongly disagreed. The participants were also required to indicate whether their company had a process by which employees could offer feedback and ideas. Out of all of them, 28% disagreed, 25% was neutral, while 19% strongly disagreed. Only 18% agreed with the statement. On the question of whether the management allowed employees to be involved in new projects, 27% agreed, 26% disagreed, while 25% was neutral. Those who strongly disagreed and strongly agreed were both at 11%.

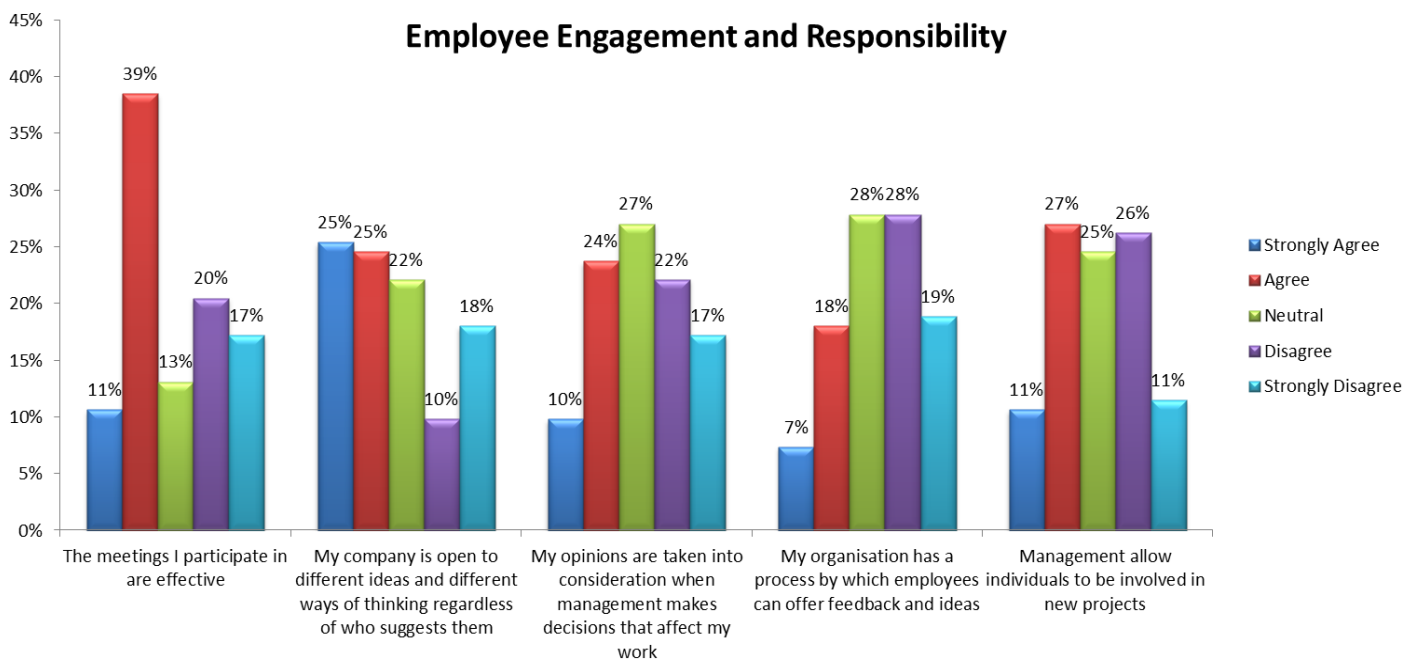


Figure 4.2.11 Employee engagement and responsibility

4.2.12. Remuneration, benefits, rewards and recognition

Participants were supposed to indicate whether they were being remunerated in relation to the work that they did, to which 27% showed neutrality, 25% disagreed, while 22% agreed. Only 16% strongly disagreed and 10% strongly agreed. In addition to that, they had to indicate whether the company benefits that they received were satisfactory. The findings of the study confirmed that 26% was neutral, 25% disagreed, while 19% strongly disagreed. 20% agreed, while only 10% strongly agreed. On whether good performance was recognized publicly by management, 30% of the employees was neutral, 25% disagreed, while 17% strongly disagreed. Only 23% agreed and 5% strongly agreed. The question on whether there was a recognition programme in place showed that 36% of employees disagreed, 29% was neutral, while 15% strongly disagreed. Only 15% agreed and 6% strongly agreed. Rewards and recognition formed part of company culture, the assertion to which 33% of employees was neutral, 25% disagreed and 19% strongly disagreed. Only 17% agreed and 6% strongly agreed, which was very low.

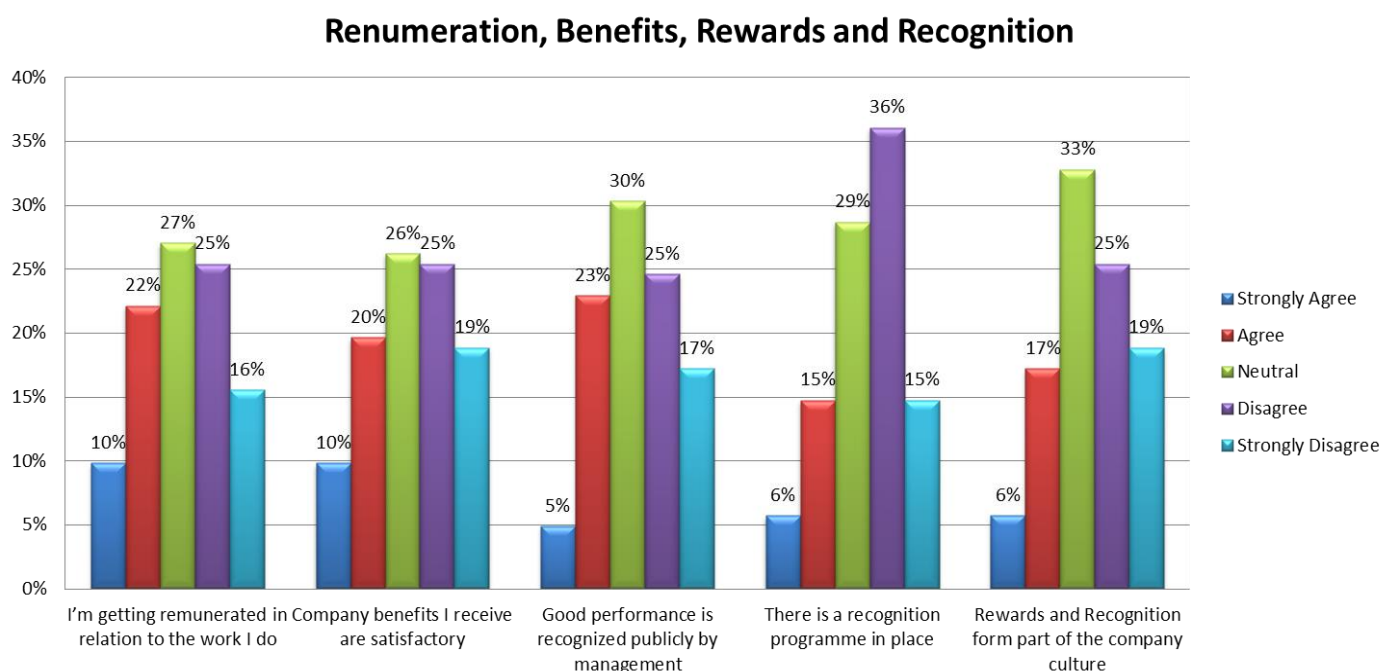


Figure 4.2.12 Remuneration, benefits, rewards and recognition

4.2.13. Career, training and development

Participants were asked if their organization had any training and development plans in place, the results of which showed that 43% of them agreed. On the issue of whether employees in the organization were encouraged to study further to advance their skills, the findings indicated that 43% agreed, 25% was neutral, while only 16% disagreed. The question on the presence of career advancements and succession plan in place showed that 34% of the employees was neutral about, 28% disagreed that there was such a thing, while 15% strongly disagreed. Only 19% agreed that there was career advancement and succession plan in place. On whether the employees received a personal development review at regular intervals, the responses indicated that 26% of the employees agreed and another 26% disagreed, while 27% was neutral.

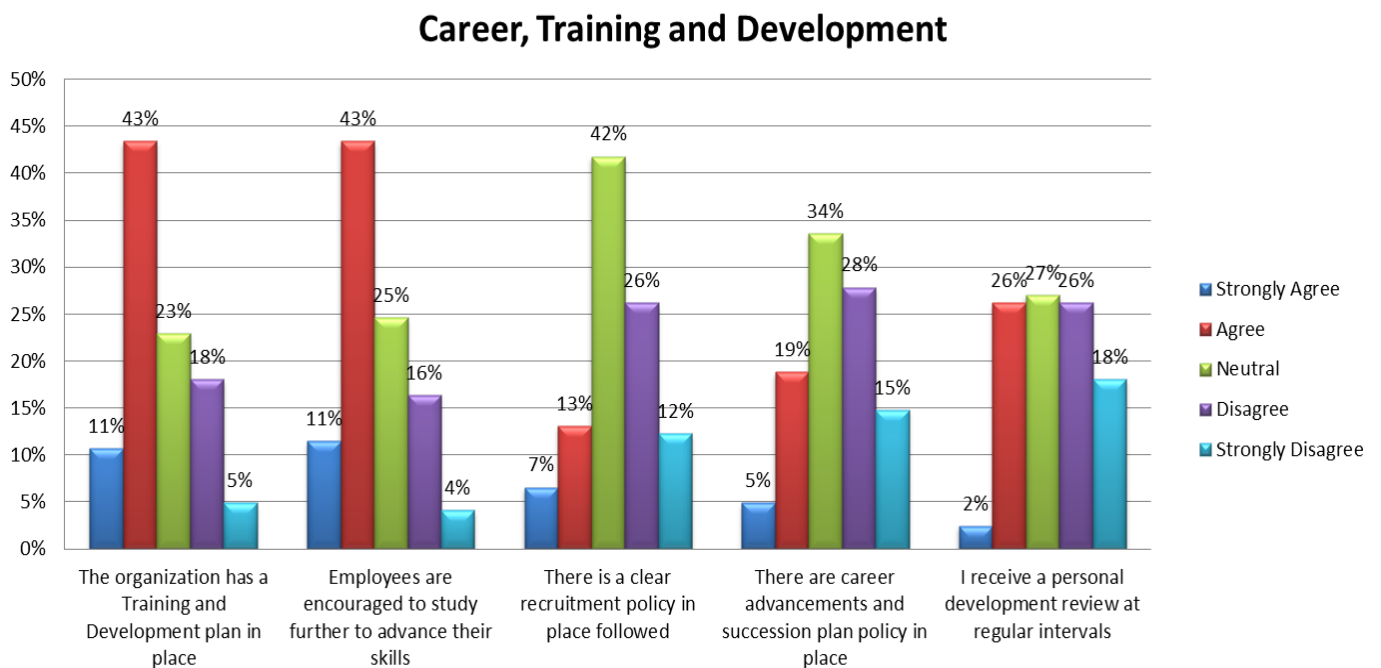


Figure 4.2.13 Career, training and development

4.2.14. What one item, if improved, would have the greatest impact on employee retention?

Different responses emerged on this question. The highest variable that employees thought that when improved, would positively impact on employee retention was (69%), followed by communication at 62%, the third variable was benefits at 58%, which covers the relationship with immediate manager. Training and development was on the fifth place, with 54%.

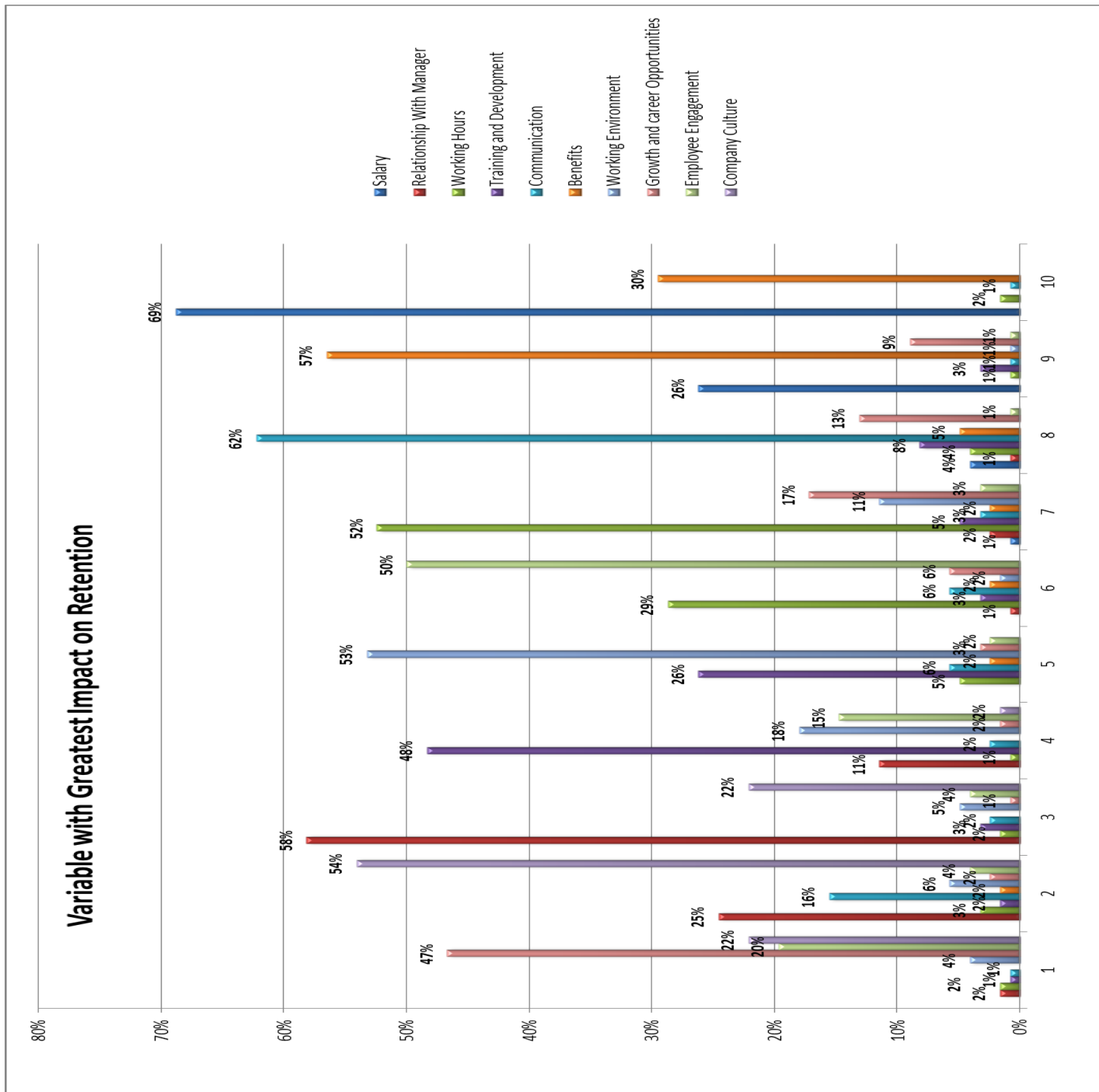


Figure 4.2.14 Variables with greater impact

4.2.15. Job search vs level of education

This figure shows job versus the level of education distribution of all the respondents.

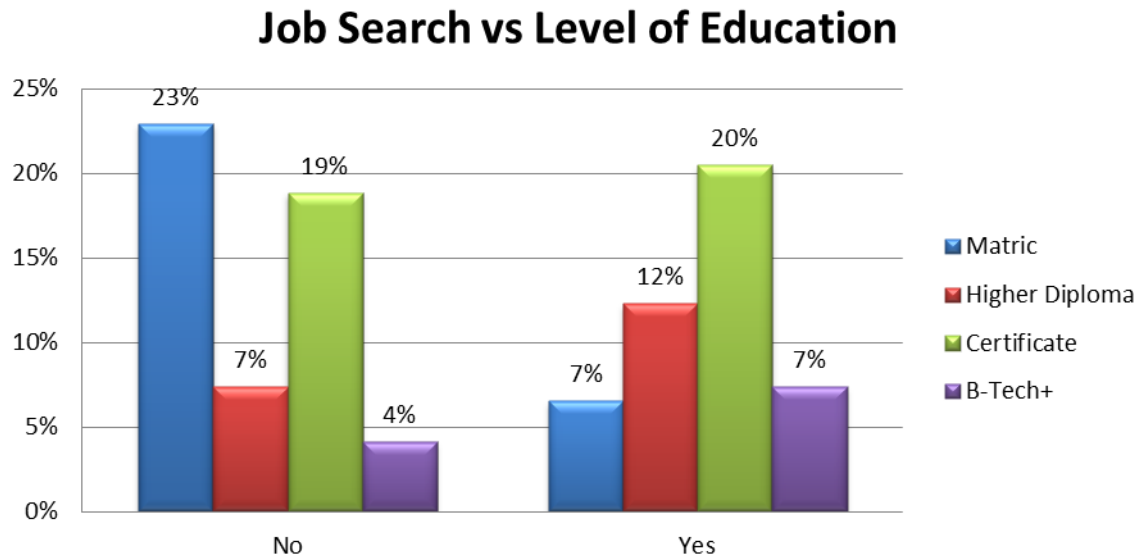


Figure 4.2.15 Job Search vs Level of Education

4.3. Summary

In this chapter, the data from the study were analyzed and interpreted. Results are based on the employee retention and the factors affecting retention, which were recognized during the literature study. For the data to be more representable, bar graphs, histograms, pie charts and tables were used to clearly illustrate the research results. Descriptive texts were also used to further explain what tables and graphs represent to make it clearer.

CHAPTER 5

Discussion

5.1. Introduction

In the previous chapter, the research results were graphically presented and explained. This chapter discusses the research findings. The purpose of this chapter is to compare the findings from Whirlpool SA with what other researchers have discovered in similar studies.

5.2. Discussion

The findings presented in Chapter 4 indicate that with regards to the job search and level of education, there is almost a 50-50 split of employees with certificates and who either seek employment somewhere else, as well as those who do not. Those employees with only matric indicated that they had not looked for another job elsewhere. This could be a result of their ages and maybe because of the skills they have, as well as the fear of not getting another job in other companies due to their levels of education. The majority of the employees with higher diploma and B-tech qualifications have also searched for greener pastures. This could be the lack of job alignment with their qualification, or any other factor which deprives well skilled employees the chances to demonstrate their abilities.

Lauver and Kristof-Brown (2000) agreed that personal skills and job design increases job satisfaction, leading to retention. Half of the employees (50%) that responded on the survey agreed that they knew what was expected of them on their jobs although it did not give those chances to grow and develop. Only 36% of the participants agreed that there was a good fit to what they did and their skills, while only 10% strongly agreed. Most employees ended up working on jobs which were not in line with their skills, as the job requirements were not clearly defined. Job rotation gives employees the chance to learn other skills and be able to interact with employees from other departments. Job rotation is very important in employees' retention and especially on monotonous jobs. During the process, workers might discover their passion and what they are good at.

Smit and Cronje (2002) argue that training and development of employees is one of the major factors in employee retention. Some authors like Bussin (2002) disagree by saying

that providing training and development to employees could lead into increasing their skills and that could also increase their market value, resulting in employees being taken by big corporates.

In the present study, there is clear evidence that there is a strong association between job security and retention. Employees feel more confident and more productive if they know that their jobs are secured. The study showed that older employees were more concerned about job security, as they have families and depend on the job to support them. Amar (2004) points out that the above assumption for the job security is not viable with the new generation of skilled workers. They are always looking for new challenges. If the job starts to be boring or monotonous, they would look for new challenges somewhere else. Johnson's (2000) findings also concur that most of the respondents in the research agreed that the lack of appreciation or recognition was one of the factors forcing them to leave the organisation.

“An employee derives interpersonal job satisfaction through interaction with peers, supervisors, subordinates and clients in the execution of the job” (Nel et al., 2004). Therefore, it is important that South African organizations develop a social relationship that would lessen the undesirable influence of employees who have a negative attitude towards other employees (Felps et al., 2009). Career advancement is vital in any organization to be in place, in order to keep talented and skilled individuals. 34% of the employees were not sure if there was any in place, while 28% thought that it did not exist. In view of this, there should be a clear policy that supports and enforces grooming and coaching future leaders in the company. Training and developing of work force should be a core function of HR and management, in order to have world class labor. Training and development, as well as personal growth, should be encouraged at all levels. This could be done by creating mentoring and coaching programs (Yazinski, 2009), offering bursaries to employees who are willing to study and pay for some degree programs (Freifeld, 2013). In the same way, young employees need to be exposed to managerial positions at early stages of their careers and during the training period.

Communication loop must be kept open to all employees so that they are aware of what is happening in the whole company (Hodges B. et al 2013). Studies show that communication is very important in any organization, whether it is bottom up or top-down communication. Employees want to know what is happening in their organization, how the

entire company is performing and more especially, how their performance affects the company output and how they could help to improve. Communication should be frequent and transparent to all, be clear and be truthful, that is, it should represent honest information. It helps with employee morale (Bator, 2014). Scott et.al, (2012) suggested that organizations conduct regular one on ones between managers and employees to determine the current state. The current study revealed that 30% of the employees did not remember receiving reviews, while 19% noted that they had never received any feedback reviews. Even shop floor workers need to be given feedback and be encouraged to make them more productive, as a part of the retention strategy.

The saying ‘Employees do not leave their jobs but they leave their managers’ should not be taken lightly when addressing retention issues. Employees need a manager who is consistent when applying rules. The study showed that 50% of the employees agreed that managers spent meaningful time with them, while 18% strongly agreed with the statement. While there are small percentages that do not agree, it shows that there is still a problem that needs to be addressed. Regular feedback is also vital to keep employees on track and focused on the goals of the organization. Most employees feel that there is no open-door policy from the management, where they can air their personal or work related issues. Coaching and regular feedback also play important roles.

5.3. Remuneration, benefits, rewards and recognition

Remuneration is regarded as the incentive for the job done, but it should not end there. This study showed that 27% of employees were not sure if they were being paid according to what they deserve, 25% felt that their pay was not adequate, while 16% strongly felt that what they were getting paid was not acceptable. Salary alone is not enough, as there are other means of motivating employees like benefits. This study again showed that the majority of the employees were not happy about the benefits that they were receiving from the company. Other motivational factors that improve employee retention are recognition. The majority of the employees also felt that they were not being recognized for the job well done and there were no recognition programs in place. Davies (2001) concluded that employees want to be publicly praised so everyone will know that they are doing well, which gives them pride in what they do. Baafi (2011) also echoed the same sentiments that benefits such as medical aid, perks, incentives and cash prizes motivate employees. The

respondents seemed to be unsatisfied with regards to recognition of their work. The majority (49%) of the respondents believed that their work was not fairly recognized.

5.4. Working Conditions

Unhealthy and unsafe working environment have a bad influence in employee turnover. People seem to get injured and get sicker if the company does not follow Health and Safety rules. The study showed that although 43% and 16% felt that the health and safety practices were adhered to, some felt that there was a room for improvement. When problems occur, they need to be fixed instantly, the majority seems to disagree. These can include machines that are not in safe working order, running out of raw material, wages disputes, health and safety issues, breakdown in communication between management and employees, to mention a few. Most employees agree that team work is practiced within the team and between departments, which is also a good motivator for retention. Christmas (2008) agrees that good working and safe equipment are some of the important things that encourage the smooth workflow and healthier working conditions. Employees spend most of their time at work, the best thing that management could do is to provide them with a secured and pleasant environment for them to be productive.

5.5. Recruitment

The recruitment process should not discriminate against gender, age, disability and ethnicity. A policy that supports the recruitment process should be in place and be communicated to all. The study showed that 47% of the participants did not know anything about the recruitment policy, while 26% thought that there is no recruitment policy in place. The process should be clearly defined and understood by all involved in the recruitment process (Halvorson, 2013).

5.6. Employee engagement and responsibility

Engaged employees feel important and gain confidence in what they do. Inviting team members in meetings and allowing them to share their views helps companies to gain different perspectives of the company as a whole. 39% of the employees agreed that when invited to a meeting, their views were taken into consideration. Although 20% and 17% disagreed with that this might be, that there is no feedback loop to acknowledge or involve them when the change does happen. Previous study by Hodges B. et al (2013) suggested

that employees that have a lot of experience should be given a chance to train other employees and share their experiences, as they would feel confident and valued by the organization and this would lead to improved retention of the best employees. Problem solving teams used by other big companies like Toyota are very influential in engaging employees in order for them to come up with their own solutions. Ideas must be encouraged and be rewarded even if they are not implemented on the spot (Bersin, 2015). Suggestion schemes for employees need to be encouraged, as 28% of employees were not sure if it existed and another 28% felt it did not exist at all. With regards to new projects involvement, there seem to be a same split of people who are involved, those who are not and those who are not sure. More employees need to be involved in different activities to make them feel part of the company.

Table 4.2.12 that shows the greatest variable for employee retention proves that for Whirlpool SA, most employees valued their salary more than anything, followed by the benefits they were receiving or should be receiving. Previous studies show that 76% of employees say that an overall salary contributes in the decision to stay in the company, while the latter said improving their benefits package is one thing their employers could do to keep them in their jobs. Jackson (2011) also agrees that benefits also play an important role in retention strategy. According to Blacknell (2015), benefits are used to attract new employees and retain skilled employees. In the current survey, benefits came second as the most important factors that could assist in retaining employees.

Communication also came high, with employees needing to understand the direction the company is taking, communication with direct manager and other interactive means that may be available. Training and development also plays an important role in retention, as from the recruitment phase, an employee need to be orientated correctly, given on the job training and coaching, given time to adjust, more internal and external training chance to improve skills and assistance in terms of scholarships and bursaries. As mentioned earlier, relationships with managers or supervisors are vital, as employees leave their jobs because of them and how they treat individual employees. This also needs to be addressed by offering management training to improve their human management skills.

5.7. Summary

Due to the increasing needs for organizations to keep their valuable employees, as well as due to competition and the expense associated with recruitment process and training of new employees, the study findings suggest that some variables are more influential in the decision of employees to either stay or leave the organization. Such variables include remuneration and benefits, communication, training and development and line manager interaction. On the questionnaire, employees who chose the neutral answer were either not sure if that existed, or had never heard of it, which boils down to communication and interaction with the immediate manager. Less educated employees seemed to be unhappy in most of the factors, especially remuneration, benefits, communication, employee engagement and responsibility, as well as career development plans. The importance of the other variables should not be taken lightly or underestimated when developing a retention policy. These entire variables contributed in the low levels of motivation to Whirlpool SA employees, although some have more impact than others. Human resource personnel need to be engaged more in solving these inconsistencies in the organization to come up with a retention strategy that would accommodate all. The findings of this study also revealed that management or supervisors depend on human resource function to figure out how to retain best employees. Supervisors need to take responsibility of their employees' satisfaction, as they are in close contact with them and use human resource only for consultation purposes.

CHAPTER SIX

Conclusion and Recommendations

6.1. Introduction

This chapter presents a summary of findings, recommendations and conclusion based on the data analyzed on the previous chapter. The main aim of the research was to pinpoint the different key factors that influence employee retention and categorize them into sub-sections, then analyze each in detail in order to guide retention in the organization. This was accomplished by creating a manual questionnaire that was handed over to Whirlpool South Africa employees and each respondent was given enough time to respond to the questions. Questionnaires were collected and captured, and then data were analyzed to give the findings presented in Chapter 4. The analysis proves that the objectives were achieved. This chapter is a discussion of the recommendations that could assist Whirlpool SA in successful employee retention.

6.2. Conclusion

In conclusion the study highlighted all factors that influence employee retention. Factors included training and development which deals with type of training and development programs that are offered in the organization. Remuneration, benefits, rewards and recognition was also identified as the highest motivating factor for retention followed closely by communication, relationship with manager and training & development. Other factors included job design and skills, working conditions, attitude towards the company and employee engagement. All these factors were taken into consideration during the study as they form part of the motivators for retention.

Survey conducted showed that there is little or no effort being implemented by the company to reduce high turnover to maintain employee retention. This is shown by a high number of employees who searched for work in the past 12 months which equates to 47% of the staff. Twenty seven percent of employees agreed that their jobs were not secured while 22% strongly agree with the statement. Communication which forms part of the most influential factor for employees to stay was not part of the tools in place to retain employees. Study showed that communication was not open and honest, there was no

frequent communication, bottom up communication was not encouraged enough and individual feedback to teams and to each team member was not done.

Recruitment process does not come cheap as the new posts need to be advertised, selection process need to take place which is followed by interviews and lastly training of the new employees. Replacing an employee can cost twice the annual salary of the previous employee. The study also revealed that failure to retain quality and experienced employees can lead to destabilization of the smooth flow of production and services. While training the new employee, production is reduced as well as quality leading to customer buying from the competitor. Most customers in the service environment form a bond with the company because of the service they get from an individual. If that employee leaves to the competitor customers may be tempted to follow them and the company can lose customers.

One of the objectives was to develop retention strategy that can be implemented to improve employee retention. After analyzing the data few factors were highlighted that when solved, 80% of the retention issues could be solved. Succession plan and career development strategy was developed in order to bridge the gap of employee needs. This strategy clearly describes a step by step method to be followed when implementing. Career, training and development strategy was also developed. It combines organization main strategic plan, HR plan, personal development plan for individuals and needs for groups. All these should be taken into considerations when creating a training plan.

Communication also came high on the factors that influence employees to stay. Regular team meetings and monthly departmental meeting for feedback were suggested. Remuneration and benefits were the highest on the employee list. The study showed that management need to look at remuneration and benefits employees receive monthly.

6.3. Recommendations to solve the research problem

6.3.1. Job Design and Skills

Job rotation of employees to different positions and different positions allows employees to gain an array of skills, experience and knowledge. This also increases employee confidence, satisfaction and finally, yields employee retention. Employees performing monotonous jobs easily get bored, a different and exciting challenge might be what the employees need in their jobs. Making job rotation a priority would definitely make

employees think twice about abandoning the organization. Employees leave the organization whenever there are no chances of further growth. As much as job design is vital, employees must not be forced to do other jobs, but let them accept the new assignments willingly. Beheshtifar and Nazarian (2013) concurs with the study findings that employees who do not feel connected to the company or their jobs display frustration through withdrawal conducts like absenteeism, low morale and high turnover rate, resulting in the reduction in productivity. De Brouwer (2013) also agrees with the study findings that job design is related to the employee motivations such as physical environment and reward system.

6.3.2. Working Conditions

Health and safety is very important in the work place for the wellbeing of the employees. In Chapter 4, the majority of the employees were happy with the safety measures in the company.

6.3.3. Line Manager Interaction

The relationship between the manager and the employees is very important. A number of employees who participated in the survey were not happy about their relationship with their immediate managers. Regular meetings with the team can bring the team closer. Team building events that include everyone also assist to break the barrier between the managers and employees. Employees feel valued and involved. One important factor is to train managers on how to manage employees, managers who understand people's different cultures and who can understand individual employee needs. Managers can be trained in problem solving, conflict resolution and listening skills. Managers must promote creativity and embrace new ideas, irrespective of who suggested them.

6.3.4. Communication

On the survey, communication was rated very low by the employees, meaning that employees were not happy about the level of interaction between them and the employer. Management which encourages good relationships between workers helps in increasing respect, trust and willingness to work together as a team (Phillips, Rothbard, & Dumas, 2009). In that view, the following are imperative:

- Have daily meetings with the team, preferably in the morning before the start of the shift
- Conduct departmental monthly meetings for information sharing
- Schedule quarterly or bi-annual meetings for the entire organization
- On these meetings, give feedback and updates on goals, new developments, new projects, activities, loss and profits etc.
- Encourage an open door policy at all levels
- Implement a newsletter and updates on intranet, dashboards and on notice boards and should be updated on regular bases.

6.3.5. Corporate Culture

An organization which has a good reputation attracts experienced employees and has a good chance of retaining them. Whirlpool SA thus needs to look at some of the cultural values namely good leadership, organizational commitment to its goals, mutual accountability, fair remuneration, show respect amongst employees and management. Cultural factors that affect employee attitudes and dissatisfaction needs to be addressed at the management level, be measured and be included when evaluating employee satisfaction.

6.3.6. Employee Engagement and Responsibility

Employees like to be engaged in different activities other than their day to day jobs. It is recommended that management must form problem solving teams like Kaisen or Continuous Improvement teams, where employees can meet on regular basis to solve problems or come up with solutions. These teams create a sense of belonging and feeling of ownership of the task given to the employees. Employees also feel valued and trusted by management when given a task of making their own decisions. Employees on the floor are custodians of the process, but their innovative ideas that can assist the company to greater heights are underutilised. One employee mentioned that they used to have a fire fighting team, whereby they would go to competitions and compete with other companies. There seems to be lack of enthusiasm after this was abandoned, as argued by one of the employees. Giving employees some responsibilities get work done. According to Brown et al (2011), employee participation that includes decision making creates positive attitudes and improves relationships amongst team members and management.

6.3.7. Remuneration, Benefits, Rewards and Recognition

The current survey showed that the majority of the employees were not happy with their current salaries and benefits, meaning that the situation can still be improved. Although each generation is motivated by different things in the work place it is important to find the basis for all employees. Baby boomers are motivated by title, money, title respect and recognition and generation X is motivated by a fulfilling job at all levels, like personal freedom and work-life balance, while the Millennials (Generation Y) are motivated by the feeling that their work has greater meaning. Before using remuneration and benefits as a tool, it is therefore important to first understand that not all employees are motivated and can be retained using money and packs only. If the budget permits, management must offer competitive packages that include medical aid, pension/ retirement fund, unemployment funds, etc. Financial incentives such as raises, bonuses are also important. The current survey showed that the majority of the employees were not happy with their current salaries and benefits, meaning that the situation can still be improved.

6.3.8. Career, Training and Development Strategy

There are a number of training types that can be provided to the employees, but each depends on the type of the job and the training needs of the employees. These include technical training, quality training, skills training that focuses on skills, soft skills where coaching or on the job training is used, professional training which can be done by external educators, team training whereby the whole team is empowered to be effective, safety training on OSHA, etc. Kochanowski (2011) emphasized that continuous training is necessary and vital in every business to accomplish company goals. It can be any type of training, but it should follow the same steps from needs assessment, execution and assessment when done. Whirlpool SA needs to develop a training program that can be followed on all training needs. Employee training and development helps employees to develop personal and organization skills, increase their knowledge and abilities to do the job properly (Freifeld, 2013).



Figure 6.2.8 Career, Training and Development Strategy

- Employee training needs have to be determined. Needs can be based on the organizational level, the HR strategic plan, individual request by the employee or by interviewing teams or focus groups.
- Current and future learning and development gaps need to be identified.
- Organizational training objectives need to be developed. These should include the necessary systems, internal or external training tutor needed, time lines for the training, resources and budget if it is available. Execute training.
- Monitor training if it is going according to schedule and sticking to the budget.
- Training evaluation includes doing assessments or survey on the trainees if the delivery was successful and if it was delivered well.
- Revise training at periodic intervals as a refresher and make new training plans for further training.

6.3.9. Succession Plan and Career Development Strategy

Further training and development needs to be offered to employees who want to further their studies. According to Heathfield (2011) talented employees want ongoing learning, mentoring, coaching process and the chance to work with other people and with other teams to gain experience. Gallup (2013) emphasizes that organizations must never stop training, as it is one of the driving forces that encourages employees to stay in the company.



Figure 6.2.9 Six Succession Plan and Career Development Strategy

6.3.10. Limitations and Areas for Future Studies

Due to time limit and availability of senior managers, interviews were not conducted with them to further understand their retention plans. Management recommended that further research that will involve team leaders, floor supervisors, managers and HR be done regards to what they are doing to influence retention. Another recommendation was to look at the current policies with regards to recruitment, remuneration, training and development, and communication as a whole.

6.4. Summary

The factors affecting employee retention identified during the study were individually addressed in detail. Some of the factors correlated to each other, as solving one can have a positive impact on the other. The factors with the greater impact on retention were also identified so that HR and management can prioritize them accordingly. Recommendations have been made for the monitoring of employee turnover at Whirlpool SA. Conducting regular motivation surveys and exit interviews might help in collecting this information. This will assist HR and managers to do assessment on employees. This will also allow for the assessment of employee turnover and open the way for administrative changes in workforce arrangements and address motivational factors.

Performance appraisal and reward system should be effective and be assessed on regular basis to keep it relevant with change. Introducing rewards and recognition prices also improves employee retention. Job design affects the way the employees view the job that they are doing, which plays a big role in retention. Redesigning a job by making it more challenging and more attractive will encourage employees to use their skills. As mentioned earlier, job rotation to more skilled tasks help in retention and employee motivation. Offering alternative career paths to employees by introducing internal skills development assists in reducing turnover. Succession planning should be done before the talent gap occurs. Whirlpool should put systems in place to identify talent in advance for critical roles for both short and long term requirements. Succession planning plays a major role in employee retention. Establishing why employees are not happy and why they are leaving the organization is vital. If this information can be ready available during recruitment, it will be easy to prevent employees from leaving by practicing different retention strategies, cultural change, and remuneration and sometimes even your management style.

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Appendix 1 Informed Consent Letter

Informed Consent Letter 3C

UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project

Researcher: Nkanyiso Sipiwe Mvuyana (082 628 3362)

Supervisor: Christopher Chikandiwa (031 260 8882)

Research Office: Ms P Ximba 031-2603587

I, **Nkanyiso Sipiwe Mvuyana** an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled **Employee retention practices in household electronic appliance sector in KwaZulu Natal**. The aim of this study is to: To identify factors affecting employee retention, determine what organizations are doing to reduce high turnover of employees, determine the impact to the company due to failure of employee retention and to develop employee retention strategy that can be implemented by organizations.

Through your participation I hope to understand what factors are affecting employee retention in the organizations? How these factors influence employee retention?

And what employee retention strategy can be used to improve employee retention? The results of the survey are intended to contribute on how to reduce employee turnover to keep the talented employees within the organization and motivated.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 15 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature



Date 15/02/2016

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

MBA Research Project
Researcher: Nkanyiso Mvuyana (082 628 3362)
Supervisor: Christopher Chikandiwa (031 260 8882)
Research Office: Ms P Ximba 031-2603587

CONSENT

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

.....

Appendix 2 Questionnaire

| Employee Retention Questionnaire | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <p>The purpose of this survey is to solicit information from respondents regarding "Retention Practices in Electronic Household Appliances Manufacturing Sector in South Africa". The information and ratings you provide us will go a long way in helping us identify factors affecting retention. The questions should only take 10-15 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no "right" or "wrong" answers to any question. Work as rapidly as you can. Make sure not to skip any questions. Thank you for participating.</p> | | | | | |
| 1 Demographic Information | | | | | |
| Age Group | 20-30 | 31-35 | 36-40 | 40> | |
| Gender | Male | Female | | | |
| Highest Level of Education | Matric | Certificate | Higher Dpt | Btech > | |
| Length of Employment | 0-1 yr. | 2-5 yrs. | 6-10 yrs. | 10yrs > | |
| Have you applied for another job in the last past 12 months? Yes/ No | YES | NO | | | |
| 2 Job design and Skills | | | | | |
| | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| 1 I know what is expected of me in my job | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 My job provides me with chances to grow and develop | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 My Key Performance Indicators s are aligned with the work that I do | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 I've received adequate training to do my job properly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 There is a good fit between the job I do and my skills and abilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Working conditions | | | | | |
| 6 My organisation provides me with a healthy and safe place to work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 When problems occur, they are quickly resolved by management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 I have adequate resources to do my job properly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 My co-workers make me feel important and welcome | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 There is evidence of Teamwork within your department | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Line Manager Interaction | | | | | |
| 11 The managers spend meaningful time with our team | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 The person I report to gives me regular coaching and feedback which helps me in my job | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 The person I report to cares about my well-being | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 My Line Manager gives me regular feedback about my performance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15 I feel free to go to my immediate manager / team leader when I have a question or problem. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Attitude towards the Company | | | | | |
| 16 My current company guarantees job security for me | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17 I will recommend to a friend or family member to work for my company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18 The company vision and goals are clear | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19 The company culture is easy to live by and it's an example to other organizations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20 My company gives equal opportunities regardless of your backgrounds | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Communication | | | | | |
| 21 Communication is open and honest and information is shared freely | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22 Communication within the organization is frequent and timeously | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 23 Bottom Up communication is encouraged and embraced by management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 24 Regular feedback is given to employees on how the company is performing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 25 My company educates and communicates with our customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

