

Understanding Factors Influencing Employees' Retention in an Organization Today

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Abstract

Employees' retention in an organization reduces costs in terms of recruitment, training of new staff and loss of institutional memory as a result of experienced and skilled staff leaving the organization. The study helps organizations to establish policy framework to reduce the turnover level and increase employees' retention. Employees' turnover brings in new ideas, fresh perspectives, experiences and skills to the organization. However, it leads to losing employees whose skills, talents and experiences are valuable to the performance of the organization. Qualitative and quantitative approaches adopted, self-administered questionnaires were given out to about 65 respondents randomly selected and the results summarized, analyzed and presented in tabular and graphical format. In addition, secondary sources of information consulted.

According to the finding, 100% of the respondents confirmed employees' turnover in the organization is affected by the job insecurity. 62% believed lack of opportunity for staff capacity development influences employees' turnover, 54% of the respondents asserted working a distance away from the family is one of the reasons staff leave for another organization and 77% confirmed that staff mobility is influenced by better compensation package elsewhere within the humanitarian organizations and 92% stated high family dependency rate as one of the factors that makes staff move for better paid job because the income in the current job is not enough to care take of the family members. The study noted that an organization that invests a lot in its human resources has high level of employees' retention and motivation today.

Keywords: Factors, Influence, Employees, Retention and Organizations.

Introduction

Background

The Uganda law requires employers to ensure that there is general health condition and welfare prevails at the work place, healthy and safe work environment and provision of sanitary, the absence of the general health condition and welfare could force employees to leave in search of the better condition in work places. Sometime policies or foreign donors may have an effect in human resource management as they may make sure top management position is determined by them making promotion of staff difficult to such level as it ends at the middle level.

Ken Blanchard and Spencer Johnson (2015) said, help people reach their full potential catch them doing something right. In most organization managers spend most of their times catching people doing something wrong. Focus on the positive aspect of the employees which should help to build confidence and re-direct them where necessary to correct the mistake. Take a moment look at your goals, then look at the what you are doing and see if it matches your goal. Goal should be simple and precise such that it is reviewed daily against the performance instead of being filed and look at once a year when it is for annual performance review or setting annual goal. This is providing capacity development to staff.

According to Victor Vroom's expectancy theory, if people believe that they are not equally rewarded they reduce the effort, quantity and quality of the work and migrate to some other organization. This same theory is backed by J. Stacy Adam's theory of equity where people judge their outcomes and the inputs relative to their colleagues and conclude about being rewarded fairly or unfairly.

An organization that has disparity in its system of reward experiences more employees' turnover compared to the one that rewards its employees equitably according to merit and meet the expectations of its employees. It should be noted that employees constantly interact with their fellow colleagues' in other organizations and they know how other organizations treat their staff.

Statement of problem

Organizations continuously make efforts investing in recruitment, retentions, development and motivation of employees' despite all these cumbersome processes, employees leave such organizations and move on to another job in another organization. This cost the organization money in terms of the recruitment and development of new staff and loss of institutional memory resulting from key staff leaving the organization. The study therefore, focused to understand the factors influencing employees' retention in an Organization.

Solutions to the problem

Organizations should give good compensation package to staff in terms of better salary payment, allowance and other benefit such as medical insurance and reasonable annual. There is need to assess the work load level of each staff this can be done through proper review of the job description and staff capacity development.

Most humanitarian organization issue contracts based on the project implementation period hence it is important to diversify the financing source of the organization in order to have more money to provide long term contract to employees to give assurance for employees' job security. Organizations should invest in the staff capacity development and put the newly acquired skill and experience into use by giving more responsibilities to staff in terms of new position slightly higher the current one they have and offer an increased remuneration package.

Objective of the study

The objective of the study is to understand the reasons of rampant employees' mobility from one organization to another, so that a reliable remedy to minimize the episode of the movement in order to ensure optimum use of the organization resource is provided, identified and discuss the various factors that influences employees' retention in various level of humanitarian organization in today.

Research questions

1. What are the various factors influencing employees' retention level in an organization today?
2. Why is necessary to have high level of employees' retention in an Organization?
3. How can organizations address the issues of employees' mobility in their respective work places?

The scope of the study

The study focuses on the factors influencing staff retention in today's current job market with special emphasis of people working for humanitarian organizations and age bracket between 21 years and 50 years and professional experience of 3 years and above. Due to limited resource to conduct study widely it is confined to about 65 respondents' sample.

The significance of the study

The study enables employers to understand clearly the reasons of staff moving from one organization to another. Employers will act to address the issues that makes staff leave one organization for another in order to reduce employees' mobility rate. It gives head up for employers and other policy makers to see the need for formulating relevant policies regarding employees' management to ensure economic development.

The result of the study will provide basis for further research in near future especially in the field of academic to understand the paradigm of the changing job market and the information contain in this study could be used by other researchers as reference.

The limitation of the study

The researcher plans to conduct the study widely covering several humanitarian organizations, private and public companies and government intuitions, with reasonable sample from each of the sectors. However, due to the limited financial resource, time and human resource it was not possible. Some of the respondents served with the self-administered questionnaires were quite a distance away and the only way to reach them was through their email addresses, and unfortunately, they were unable to access their email in time hence delayed responses or let to some of the respondents not responding at all.

The researcher is a student and at the same time a full time employed staff in a busy scheduled organization making it difficult to find more time to concentrate on the study coupled with limited literatures in the region and in the area been studied.

The methodology

The study adopted both qualitative and quantitative approach where self-administered questionnaires were given out to about 65 respondents randomly selected from within the targeted group of employees based on their age bracket and years of experience and the resulted were then collected, summarized, analyzed and presented in tabular and graphical format shown in table 1 and graph 1 in the following pages. Several secondary sources of information were consulted in the process purposively to fully understand the various factors affecting the employees' retention level in the organization.

Review of literature

Employees retention in an organization is detected a lot by the management perception where management feel employees dislike work and avoid responsibilities they tend to use negative motivation by use of force and fears to enforce obedience where as if they believe employees exercise self-control and self-direction and take responsibility best directing their efforts for the success of the organization, they will use positive motivation approach. This is the application of McGregor's Theory X and Y of motivation. Employees are back born of any industry and they are essential human resource for smooth operation of any organization, John C Maxwell (2014) pointed management the importance of human resource when he said, "people around you will either wind you up or wear you down."

People look for jobs to meet their individual needs which according to Abraham Maslow are in the order of hierarchy, only when the lower level of needs are met fully would a worker be motivated to move to the next level of need up the hierarchy. The ultimate wish of every individual worker is to attain the highest level of self-actualization in the hierarchy of needs. Organization should therefore, provide different incentives to workers to help them fulfill each need and in turn progress up the hierarchy, in the absence of these opportunities' employees will always move from one organization to another in search of motivation.

Ken Blanchard and Spencer Johnson (2015) asserted, the best minute spent is the one invests in people. Don't make employees feels as if their main motivation is to avoid punishment. Do not assume that people know that is expected of them have some time with the employee talk to them to lay down your expectation and agree upon them. Everyone is a potential winner some people are disguised as losers, don't let their appearance fool you.

There is a choice to hire a winner which will call for higher pay or hire a one with potential to be a winner and develop the capacity after which you failed to retain as their expectation move up hence, they leave. People in an organization are the heart of the organization. According to the Independent Magazine July 05 – 11, 2019, page 5, issue number 579, Hundreds of staff of Kampala's Serena Hotel staged a sit-down strike paralyzing the top hotel in the city.

The staff accused management of mistreatment, failure to listen to their grievances and favoritism for expatriate staff. South Sudan law makers stormed out of a budget presentation by the country finance minister over the lack of payment of the civil servant and soldier that means the workers are unable to facilitate their family with being paid wages (the east African June 22 – June 28, 2019).

Beyond work decision, employees want to be given the resource necessary to act and been held accountable of the results. They want to feel they count.

According to Harvard business journal professor J. Richard Hackman, “If you want me to care then I want to be treated like an owner and have some real voice in where we ‘re going” (Kaziba A. Mpaata 2002). Management needs to empower employees in various ways give them resources they need; information gives individual team authority and responsibility to act and manage themselves. “People who feel good about themselves produce good results. Without giving people a quality product and services, they want, they won’t stay long in the business.”

According to the employment law of Uganda the normal weekly hours is not supposed to exceed 48 hours unless there is an agreement contrary to this. However, due to practical situation on the ground employees find themselves working for more hours without compensation for extra hours worked.

This makes employees to spend most of their time at work place trying to accomplish the tasks assigned to them with less time outside work life. This work pressure makes employees to have unbalance life style. Most of the humanitarian jobs are non-family duty station that means they must go and work far from the family at one point if they found an opportunity to work near an offer that include family duty station the employee may be forced to leave the organization for that better offer.

The result and discussion of the study

According to the result of the study, the following are the major factors influencing employees’ retention in an organization, its impact to the organization and how management can address the issues. The results are summarized, analyzed and presented in table 1 and graph 1 respectively.

Opportunity for career growth

62% of the respondents indicated that lack of opportunity for upward career growth within the organization makes people leave the organization in search of the career development elsewhere. This means Organizations that do not provide career growth opportunity ends up losing their most important staff for other organization. Organization should therefore, ensure that they have policies that embedded opportunity for employees’ growth if they are to retain its employees.

Better Compensation package

77% of the respondents confirmed that employees move to other organization in search of better compensation package, it is quite paramount that organization need to recognize this is a push factor if not attended makes the organization loses its reliable staff.

This explains when an organization poorly pays its employees, the employees will be forced to leave such Organization. However, this factor should not be look in isolation but rather together with other prevailing factors listed below as money may not be the only motivating factors in determining the length of time an employee stays in the organization.

Most of the humanitarian organizations operates on donor budgets to carry specific project at the end of such project, the organization may not have more fund to pay its staff and would be left with the only option to let the staff go but if they have diversified sources of funding they will be able to continue offering better compensation package in terms of other incentives and benefits.

High family dependent rate

92% of the respondents confirmed that high family dependency rate forces staff to search for better paid job as the income is not enough to take care of the family members. Organization need to put an effort to understand its employees’ problem beyond work environment as they may have other family related issues that may force them leave the organization.

If organization well understood its employees beyond the work environment, they will be able to provide other family packages that may help to reduce employee mobility appetite and increase the level of employee’s retention

Government policy

It is worth mentioning that staff understand their responsibilities regarding statutory obligation that is why 69% of the respondents said government policy such as taxation and national social security fund contribution does not affect staff turnover.

However, this factor indirectly affects investment of the employees as they must wait up to the age of 55 years get their money for the case in Uganda. However, Organizations that don't fulfill the statutory requirement of national social security contribution toward the old age, may find loose its staff for other Organizations that office the package.

Technological advancement

77% of the respondents confirmed that advancement in technology creates easy access to information about openings in job markets. This is true given the fact that today, people can access information about job adverts through an online system, mobile phone and internet even from one's bedroom. Contrary, this factor alone may not dominate push staff out but rather its aids the other factors that influence employees' retention in an Organization such as poor remuneration and job insecurity.

Consultation from management in making decision

62% of the respondents indicated that they are not consulted in most of the management decisions in the organization and this is possible reason why some of the staff leave the organization as they feel that their presence does not matter in the operation of the organization. Ensuring that the view of the employees is taking into consideration in any management decision making is paramount if Organizations are to retain its employees.

Negative management feedback

54% of the respondents indicated that management focuses mainly on the negative aspect of the staff under their direct supervision especially during the staff development review at the end of the year. This makes it a problem for them to stay longer in organization as they feel their contribution toward the development of the organization is not recognized. In the words of Adrian Gostick and Chester Elton (2007), "we would like to know that collectively we are helping our team and the organization to move towards brighter future." Always focusing in negative feedback makes staff to understand that their contribution is not helpful to the organization and they get frustrated and leave such organization.

Poor Employees' manager relationship

77% of the respondents indicated their relationship with the manager is good. However, the remaining 23% indicated poor relation with their line manager is responsible for making staff move from one Organization to another its important management should continue to ensure there is good relationship between staff and the managers if they are to have a better level of employees' retention.

Induction process

77% of the respondents indicated that the induction process in the organization was good especially during the time when they were new employees, a good induction process allows new staff perfectly settle down in the new environment, management of any organization continually ensure that every new staff are well inducted in the organization in this way they will continue to serve Organization. However, 23% of the respondents believe poor induction process is behind high employee mobility in the organization, this proportion should be neglected but should be addressed.

Job insecurity

100% of the respondents contacted during the interview confirmed that employees' retention in the organization is greatly influenced by the job insecurity resulting from the short-term contract. Every staff want to see that their employee contract running for longer period of time having short term contract gives them worries about the continuity of their constant flow of their income to support the

family as such they are compelled to look for an environment where they can get long term employment contract and they can be assured of their jobs. In order to address this issue, Humanitarian organizations should look for multiple donors so that they are able to give employees continue contract for a long period of time. Organization that makes its employees believe that they are job secured, will have high level of employees' retention.

Distance away from the family

54% of the respondents asserted that staff retention is affected by the distance away from the family, this basically for those who have employment duty station away from their home areas, they find themselves spending more hours travelling between their homes and work stations which becomes stressful and when they get an opportunity to be employed near or within their home areas they end up leaving the organization with distant work station. Organizations can include in their policy framework more days off in addition to the annual leave days and improve on the other aspects of staff welfare.

Huge work pressure

69% of the respondents indicated that staff get work pressure from huge volume of work making them to work extra hours and end up having work life balance issues and if they have an opportunity to be employed in relatively manageable work load organization, they leave the organization. Lack of work life balance is an occupational hazard and health issues that could threaten the life of an employee.

According to Roshidi Hassan (2014), now a day people working lives have become increasingly stressful and job stress has been one of the factors that affect the individual performance at work place. Employees workload should be reassessed on annual basis and make necessary adjustment in staff job description and staff should be encouraged to have more work life balances

Level of organization investment in staff capacity development

when asked about the issues of staff capacity development, 62% of the respondents believe that there is lack of opportunity for capacity development in the organization is one of the main factors that makes staff mobility high in such organization and therefore, it is important that management of organization to include staff capacity development in their policy framework and strategic development plan. Many companies spend a lot of their money on maintaining their buildings, technology and equipment than they do in developing people.

The more a company put resources in developing its human resource such company will retain its staff for a longer period and have better productivity. However, investing in staff capacity development without increase in responsibilities and remuneration package will not minimize the level of employees' turnover.

Self -exploration of job and Organizations

The result of the interview revealed that 54% of the respondents believe that staff move for self-exploration of job and organizations is among the factors influencing employees retention in an organization this is so because there are those staff who are motivated by mere movement from one job to another and one organization to another such staff hardly settle in organization.

System and structure

77% of the respondents affirmed that the system and structure of the organization is good and that means a good system and structure of the organization makes staff to stay longer in such organization and whereas 23% implies when the system and structure is poor such organization see high staff turnover. The system here includes all operational policies relating to human resource, procurement and finances among others.

Recommendation

It is clear that employees' turnover in an organization cannot be avoided but constant effort should be deployed by management of any organization to ensure that they are periodically updated of the

job market situation in order to ensure that any new development in the job market is included in their policy framework and not end up unnecessarily losing their important and essential staff to their competitors in the same job market to increase the level of employees' retention.

Since one of the major factors of employees retention is job insecurity, organizations should ensure that they have enough funds by having multiple donors and varieties of funding sources so that they don't find them laying off their staff or letting them go due the fact of not been unable to pay them when one project implementation period ends. When an organization has multiple funding sources, this gives staff an assurance of the continuity of their job at an extended employment contract period. Staff contract should be extended by a period of more than one year in such a way they will have feeling of job continuation.

Today people's lives are control by work to the extent that they don't have time for their family, management of organizations could make it part of their policy framework that they support employees work life balance to ensure that staff work pressure is within an allowable degree and staff operate in a work stress free environment, this should be done to ensure that work does not negatively impacted the lives of employees. Healthy and happy employees have increased level of productivity. Staff who are deployed in the remote field location away from their family should have hardship allowances and benefit interms of cash and leave days so that they are able to have more time with their families.

Conclusion

Organizations face a lot of pressure as a result of the employees' mobility which cannot be avoided but rather management of organization can do something to reduce the yarning gap between factors that motivates employees to leave one organization for another to increase the level of employees' retention.

Most organizations especially humanitarian organizations are mainly donor funded meaning that level of employees' job insecurity is high, as they depends on the length of time a project is been funded by such a donor as the project comes to the end of its implementation period, the employees are face with the reality of job insecurity due to fear of losing job and are compelled to look for another job, this explains why job insecurity stood up to be the highest factors that influences level of employee retention in the organization today.

The high family dependence rate, especially in African, the people who are benefiting from a single individual working person are quite many to the extent that such individual feel the pressure of not having enough money to support these people and he is constantly forced to look for another better paid job elsewhere as the current employer may not be able to increase the salaries based on this ground. Employers should constantly reassess the job market and conduct salary survey to ensure that they don't pay their staff lower than other Organizations.

The technological advancement we are seeing today is greatly contributing to the motivating factors of employees' movement from one Organization to another as they provide medium through globalization to make access to information about existing vacancies in the job market. Employees move from one organization to look for better compensation package, friendly work environment which allow for well-balanced work life experience.

It is the responsibilities of every organization to conduct constant survey to understand the need of the employees in the current job market and develop policies that will help them to identify and assess the impact on human resources and ultimately serve money on the recruitment and advertisement and avoid loss of good institutional memory to achieve high level of employees retention. Personnel mobility could have a great effect on the performance of an organization as there will be increased of supervision and motivation, loss of business and decline in customer goodwill from mistake of inexperienced staff which could be avoided if employee's retention level is high. High level of employees' mobility distorts project plan and budget as it may require at least a month or more to replace a staff who left leading to a significant underspending of project budget in an organization especially within humanitarian setup where the turnover happens towards project end period when it is impossible to do budget revision

Figure, Tables and Graph

Table 1. Tabulation showing percentage score of respondents against each factor identified.

TABULATION OF RESPONSES			
Criteria (Factor)	Score	% Score	Remark
Organizations worked for to date	30.00	46%	Respondents have worked for between 3-4 Organization in their career life to date.
Lack of Opportunity Career growth	40.00	62%	Respondents indicated that lack of opportunity for upward career growth within the organization makes people leave the organization.
Better Compensation package Elsewhere	50.00	77%	Confirmed that staff move to other organization because of better compensation package.
High Family dependent rate	60.00	92%	Confirmed that high dependency rate forces staff to search better paid job as the income is not enough to take care of the family members.
Political stability	30.00	46%	Indicated that political stability in some part of the country does not affect the staff turnover.
Government policy	45.00	69%	Responded that government policy such as taxation and national social security fund contribution does not affect staff turnover.
Technological advancement	50.00	77%	Confirmed that advancement in technology creates easy access to information about opening in job markets.
Lack of management consultation in making decisions	40.00	62%	Indicated that they are not consulted in most of the management decisions in the organization.
Induction process	50.00	77%	Responded that the induction process in the organization was good.
Negative management feedback	35.00	54%	The result indicated that management focus mainly on the negative aspect of the staff under their direct supervision.
Poor employee's manager relationship	50.00	77%	Respondents indicated their relationship with the manager is good.
Job insecurity	65.00	100%	All the respondents contacted during the interview confirmed that employee turnover in the organization is greatly affected by the job insecurity resulting from the short-term contract.
Distant away from family	35.00	54%	Asserted that staff turnover is affected by the distance away from the family.
Huge Work pressure	45.00	69%	Indicated that staff get pressure from huge making them to work extra hours.
Lack of capacity development	40.00	62%	Respondent believe that there is no opportunity for capacity development
Self-exploration of Jobs and Organization	35.00	54%	They believe that staff move for self- exploration of job and organizations.

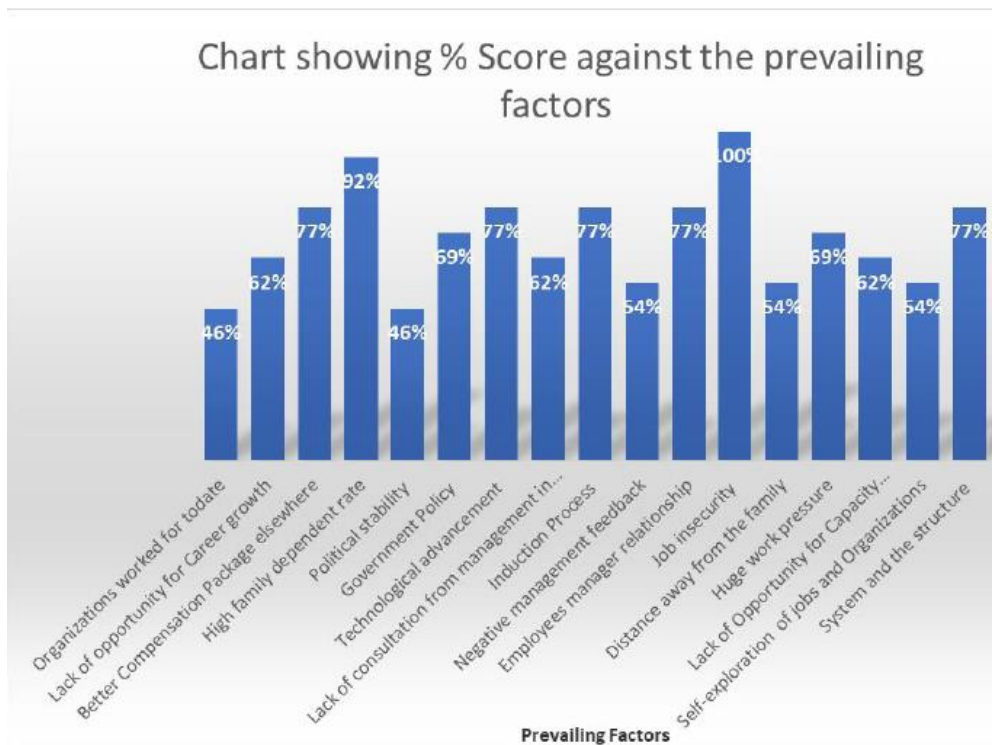


Figure 1. Bar chart showing percentage score of response against factors influencing employees' retention

Source. Summary of the data collected during the study.

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