

# **IMPROVING STAFF RETENTION AND MOTIVATION**

**RETENTION MANAGEMENT**

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## DECLARATION

I KAREKEZI Claudine hereby declare that the work presented in this research is my own contribution. It has not been previously submitted anywhere for similar award at the University.

KAREKEZI Claudine.

A handwritten signature in black ink, appearing to read 'Claudine', with a decorative flourish underneath.

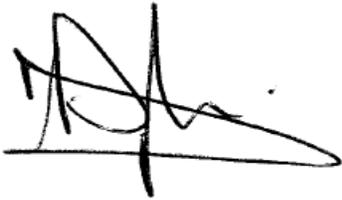
Date: 21<sup>st</sup> January, 2011

# CERTIFICATE

I certify that this work” Improving staff Retention and Motivation in MAGASINS GENERAUX DU RWANDA” was done and presented by Karekezi Claudine under my supervision.

Dr DAVID Dingli

Signature:

A handwritten signature in black ink, appearing to be 'David Dingli', written over a horizontal line.

Date: 21st January 2011

# DEDICATION

To the Almighty GOD,

To Fortunee and her family,

To My Parents and

To Doudou

I dedicate this work

## **ACKNOWLEDGEMENT**

Immeasurable thanks go to the Almighty God for his love, grace, and protection.

The completion of this work would not be successful without joint efforts of a number of people.

I am sincerely thankful to my supervisor, Dr DAVID Dingli for his tireless guidance he provided me to complete this thesis.

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May GOD bless you all!

## **ABSTRACT**

Employee retention has become an important topic when organizations are faced with skills shortages. Voluntary turnover is a huge problem for many organizations today and there are many reasons why people voluntarily leave their organizations. However, with the high cost associated with replacing the outgoing workers, employers must deliberately engage in retention activities. Therefore, this research attempts to explain the importance of employee retention and motivation, in Magasins Generaux du Rwanda, with the focus on retention management.

The background of the thesis presents a few materials that discuss the importance of retaining employees in the organizations, its effect on remaining staff and the rationale of managers to work hard with the turnover. The public warehouse of Rwanda (MAGERWA) is used as the case study. Many writers argue that although every one works for money, the later is the least motivator.

The purpose of the research is to identify strategies of improving employee retention in Magerwa and the role that the management plays in improving staff retention and motivation. Furthermore, this research also attempts to find out the extent at which motivation can influence a person to leave or stay in the company. The theoretical framework used is based on organizational culture, motivation, and job satisfaction with staff retention as the result; assuming that these three factors (organizational culture, motivation and job satisfaction) can lead or influence one's decision to stay or leave the company.

The data were collected through questionnaire addressed to all staff of Magerwa and to some leavers depending on their availability; and interview conducted with 3 out of 15 managers and to the rest of Magerwa employees to get a broader view on retention management, job satisfaction and motivation. The research is qualitative as well as quantitative and data was analyzed using SPSS software.

The research found that communication and feedback, recognition and opportunity to learn were perceived to be the most important job motivation and satisfaction drivers and hence loyalty drivers regarded by employees; followed by respect, social activities and pay factors with equal importance. However, communication & feedback, and opportunity to learn were found to be

lacking in operations department but the researcher believes that there will be a positive change overtime as Magerwa has changed the management and being acquired by a new big company from Singapore. The researcher argues with Don et al (2006) that job that job satisfaction is linked to organizational performance, because organizations with satisfied employees tend to be effective than those with unsatisfied employees and Mitchell et al (2001) say that people who are satisfied with their job will stay, while those who aren't will leave. The researcher found that Motivation and job satisfaction would influence employee's decision to stay or leave because the study found that employees have stayed for more than 10 years only because of the salary. The researcher believes staffs would be more motivated and more satisfied if other factors, like communication, job recognition, opportunity to learn, etc, are taken into account and improved. However, it would be interesting to conduct another study after four or five years from now to find out at what extent staff of Magerwa are motivated comparing to the current situation.

**Key elements:** *Retention Management, Motivation, Job Satisfaction and Staff Retention*

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## **LIST OF ABBREVIATIONS**

**MAGERWA:** Magasins Generaux du Rwanda

**SDV:** Scac Delmas Vesgieux

**Scac :** Société commerciale d'affrètement et de commission

**MSM:** Maastricht School of Management

**HR:** Human Resource

**RDM:** Result Driven Manager

# **CHAPTER 1. GENERAL INTRODUCTION**

## **1.1 Introduction**

This research is concerned with improving staff retention and motivation in Magasins Generaux du Rwanda with the focus to Retention Management. It will be composed of the background to the study, the problem statement, research objectives, research questions, scope and the disposition of the study.

Employee retention has become an important topic when organizations are faced with skills shortages. As managers want their organizations to be flexible and adaptive yet integrated and stable, they should work hard on employee retention and commitment in order to achieve internal efficiency and profitability.

Retention is not a money matter. It is a voluntary move by the company to create an environment which engages employees for the long term. This attachment relationship is durable and constant and links the employee to their company, by common values and by the way in which the company responds to the needs of the employees (Benjamin Chaminade 2006). In this study, Retention management, Organization culture, Motivation, job satisfaction and staff retention are discussed. Garret (1997) defines personnel retention as comprising of all measures that can increase the probability of employees staying in the company for a long time to allow returns on investment.

## **1.2 Background to the study**

The background will point out some of the materials that discuss the importance of retention management in the organizations, its effect to remaining workers, turnover and the rationale of managers to work hard with it.

Retention Management is a critical aspect to successful organizations. With the high costs associated with replacing the outgoing workers, employers must deliberately engage in retention activities. Kaye and Sharon Jordan (2000) found that losing employees is expensive in terms of replacing lost talent which is 70 to 200% of that employee's annual salary. There are advertising

and recruiting expenses, orientation and training of the new employees, decreased productivity until the new employee is up to speed and loss of customers who were loyal to the departing employee.

Retaining good employees is critical to a firm's long term success, "says Shawn Abraham (2007). He found that in the engineering and construction markets, employee retention is especially serious because the job market is tight and competition is fierce for top candidates, and noticed that losing an employee costs a company 100 percent of that employee's salary.

Many organizations assess the cost of staff turnover by working on the principle that replacement of a staff member costs the equivalent of that person's annual salary, with the proviso that high level staff may cost up to two year's salary to replace, (Australian Institute of Management's Salary survey 2003). According to this survey 38.4% of organization surveyed estimated a cost up to \$ 20,000 and 28.4% indicated that the turnover of each position costs up to \$50,000. On keeping with other research on employee retention and motivation, the survey found that remuneration is not the main contributing factor in staff retention. Out of 50 identified retention factors Kaye and Sharon (2000) found that pay is the least important. Benjamin (2006) agrees with them on the idea that money is the least important in employee retention.

The country of Rwanda has no other resources than its people. Since the human resources are the main assets as a base for its development, they should be developed to the extent to sustain such development.

Training the Rwanda people to raise the level of their necessary development competencies has always been obstructed by politics or by economic constraints. The 1994 genocide left Rwanda back one generation as regards human resources, magnifying the already serious deficit of the education system. This affected all the sectors, public like private as well as the civil society (3<sup>rd</sup> draft vision 2020 p.19).

Now the labor market of the Rwanda work force is made of young people due to the quick development of educational sector and many opportunities (national & international) now open to them. Rwanda joined international and regional communities like East African Community, Common Market for Eastern and Southern Africa and the Common Wealth. This has made the

market to be theirs and thus be more demanding about workplace. However, to attract them, some organizations are offering attractive work environment, salary packages, and other privileges, and other companies ignore this which brings them high employee turnover rate.

The Magasins Generaux Rwanda also was affected by the 1994 Genocide where many companies lost a good number of their employees. Since then it was employing people of different level of education but none of them had a university level. However, at the beginning of the year 2005 Magerwa had 182 permanent employees, and found itself in need to restructure in order to increase productivity and hence contribute to the poverty reduction by employing qualified staff. Since its establishment Magerwa was the only public warehouse in the country till 2008 when SDV Transami also started warehousing activities.

Although voluntary turnover is different from organization to organization, today, it is a huge problem for them because it imposes extensive costs on both individuals and organizations. There are many reasons why people voluntarily leave organizations. Some are personal; others are influenced by the employing organization Terence, Mitchell, Halton and Thomas (2001, VOL.15 No 4).

The development of effective staff retention strategies should be high on the agenda and be a core strategy for every organization across Rwanda and anywhere. This is about establishing a way of doing things that may well be essential to survival of just few years down the road Paul Michelman (Harvard Business Press 2006).

For that reason, it is very important for managers to think and plan about retention management strategies in long-term, because the changing world and globalization of many companies have created many opportunities to educated people and thus giving them the possibility to change employers as they wish. This study aims at assessing how Magerwa can improve employee retention and motivation of its workers.

### **1.3 Problem Statement**

According to the Economist (October 2006), companies need to raise productivity by managing talent better. Managers should also look for prospective employees with potential to learn and grow with the organization. (Mike Flaherty, 2003) argues that investing in personnel from the start builds and maintains competent staff. (Kreisman, 2002), Strong relationships at work are the key to retaining organization's people. Most employees need colleagues to think, work, and create with. Some research shows that co-workers support and acknowledgement is the key to retaining their technical talent, he continues.

The study found that some engineers depend on the workplace as the primary source of social relationships (O'Malley, 2000, Thomas, 2000, Trice and Beyer, 1993). For Kreisman, 2002, this is true for many other key employees who place a high value on affiliation.

Retaining good employees is critical to a firm's long term success, "says Shawn Abraham (2007). He found that in the engineering and construction markets, employee retention is especially serious because the job market is tight and completion is fierce for top candidates, and noticed that losing an employee costs a company 100 percent of that employee's salary.

He also said that when people leave a firm, other employees may become fearful and uncertain about their status within the company, and that such apprehension and insecurity can spread like a virus, and soon the turnover seem uncontrollable. But when firms consider the long-term value of committing to employee retention, the effort is well worth the investment of time and resources.

Applying this to the Magasins Generaux du Rwanda, Retaining good employees is very important to the long term success of the company to reduce not only the costs associated with replacing departed employees, but also the effect it causes on co-workers.

This research is concerned with improving staff retention and motivation of key employees through retention management in the company of MAGERWA. In this research, recruitment and selection will be taken into account since it plays a big role in influencing employees to stay or

leave. Dr. John Sullivan (2007) estimates that more than 1/3 of the factors that drive future turnover have their roots in recruiting, hiring, and on-boarding process.

Since people are the main resource of many organizations involved in achieving their purpose and providing quality goods and services, staff retention should be improved not only because people who leave the company represent a lost resource in whom the organization has invested time and money but also because it is a great damage when good people, trained and developed at the organization's expenses chose to work for the competitor (Derek, Laura and Stephen Taylor (2005, p.167).

However, the problem with Magerwa to retain their key employees *is to know how and which strategies to adopt and who will be responsible for employee retention and motivation*. These problems can be linked to the management style and organizational structure (in terms of unclear separation of duties and responsibilities). Voluntary turnover can be good to an extent but there needs to be a balance. Turnover needs to be natural in the sense that some employees leave and new employees enter (Hedberg, Lisa, Helenius and Maria 2007).

Thus, the aim of this research is to assess how Magerwa can improve employee retention and motivation and find out which strategies to adopt. The researcher will also find out the extent at which motivation can influence the employee to stay or leave the company.

## **1.4 Research Objectives**

The main objective of the research is to identify strategies of retaining employees in MAGERWA; and establish the relationship between motivation and staff retention.

**The following are specific objectives:**

- i. Identify the most appropriate strategies of retaining staff of Magerwa
- ii. Find out at what extent motivation can influence a person to stay or leave the company
- iii. Analyze the role of Management in improving employee retention and motivation

## **1.5 Research Questions**

In order to achieve the objectives stated above and provide answers to research problems, the researcher will try to answer the following questions:

1. What are the most appropriate strategies that could be used to retain the staff of Magerwa?
2. To what extent can motivation lead to staff retention in Magerwa?
3. To what extent can job satisfaction influence staff retention?
4. What is the role of managers in staff retention and motivation? And who should be responsible for staff retention in Magerwa?

### **1.5.1 Variables of the study**

The research will be based on the organization culture, motivation and job satisfaction as independent variables; and staff retention as dependent variable.

### **1.5.2 Assumptions**

1. The organizational culture plays a big role for the organization in retaining and motivating employees
2. There is a positive relationship between motivation and staff retention
3. Job satisfaction can lead to intention to stay or quit in an organization
4. Managers can improve employee retention through employee recognition, development programs and reward management systems.

## **1.6 Significance of the study**

As the retention dilemma grows and become a challenge for many organizations, this study will be useful to

- i. The researcher to understand issues in retention management and help her company to improve staff retention and motivation
- ii. The case company (MAGERWA) in formulating strategies which bring to improving staff retention and motivation, work environment and communication. And contributing to the country 2020 vision in building a capable state based on good governance.
- iii. Academic community as a basis for further research on the relevance of staff retention and motivation.
- iv. Rwandan organizations that value investing in their staff people

## **1.7 Scope of the Study**

The research is focused on a service company for the period of 4 years starting from the date of administrative reform in 2005 to 2009. It is concerned with the retention management and strategies that could be taken to improve staff retention and motivation.

## **1.8 Research Methodology**

This section gives the detailed methodology used to collect data. In this research, primary and secondary data were collected. Through questionnaire and interview primary data was collected and secondary data collected through internet Material, articles, Books, and company's annual report.

### **1.8.1 Research design**

According to ZIKMUND (2000), a research design is the master plan of the work specifying methods and procedures for collecting and analyzing required information.

The researcher will use both qualitative and quantitative research methods where a descriptive study will be used to respond to the research question.

### **1.8.2 Type and source of Data collection**

In this research, primary and secondary data will be used. Primary data will be collected through a questionnaire which will be distributed to the entire staff of Magerwa, and to the available staff who have left the company.

Secondary data will be collected through library, organization's annual reports, and web site search.

In addition to that, a review of different literatures like books, articles, documents and annual reports will be conducted as a source of quantitative data. This source of data especially documents and annual report of MAGERWA, were used because they can easily be available and accessed by the researcher.

### **1.8.3 Sampling methods and Sample size**

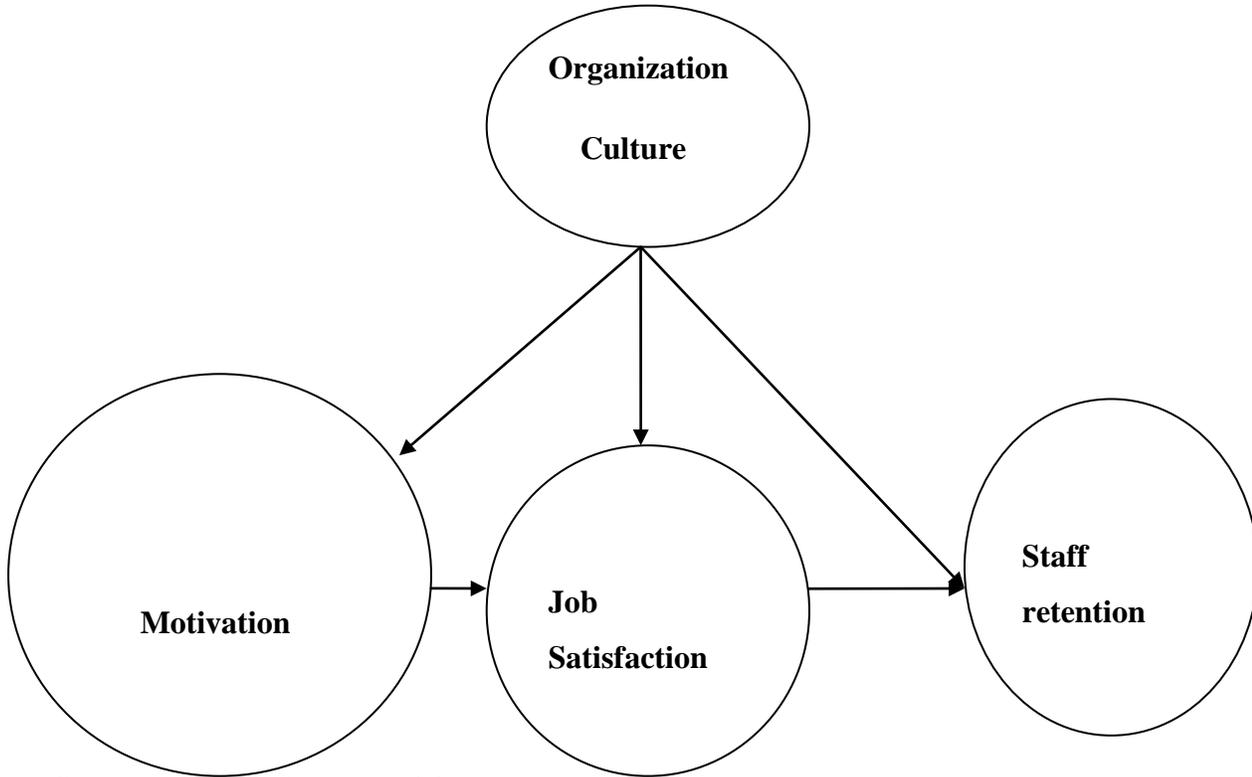
Sampling is the act, process or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population. (Webster 1985). He also defines a sample as a finite part of statistical population whose properties are studied to gain information about the whole. When dealing with people, then it can be defined as a set of respondents selected from a larger population for the purpose of a survey. In this research, the entire population of Magerwa staff currently in service and those who left in the last 5 years was considered when distributing the questionnaire and the sample was based on returned questionnaire. Furthermore, to get responses from people who left the company, again the sample size was based on their availability. And then these two samples were added together to get the sample size. Results will be edited and analyzed using SPSS software and then interpreted accordingly.

## **1.9 Theoretical Framework**

This section shows a picture of theories that will be used to structure and support collected data. However, this research will be based on theories related to organization culture, motivation, job satisfaction and theory on staff retention. This research will depend on the organizational culture,

motivation and job satisfaction as independent variables and staff retention as dependent variable.

**Figure 1: Compiled model of Theoretical Framework**



Source: Researcher's own model

### 1.9.1 Organisation culture

The organization culture plays a big role for the organization in retaining and motivating employees. Sheridan (1992) states that employees in companies emphasizing a culture as interpersonal relations rather than task orientation have significantly lower turnover rates. Organizational culture is defined as the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done Eldridge and Crombie (1974). However, to further enlarge this aspect in the next chapter, the researcher focused on values and beliefs, leadership and communication.

### **1.9.2 Motivation**

A motive is a reason for doing something. Motivation is concerned with factors that influence people to behave in certain ways Michael (2001, p.156). Michael says that motivating other people is about getting them to move in the direction you want them to go in order to achieve a result. Further Michael argues that motivational practices are likely to function effectively if they are based on proper understanding of what is involved. Herzberg et al (1957) identified two types of motivation; that is intrinsic and extrinsic motivation. However, the research carried out by Infosurv 2002 at Martz organization shows that an organization can improve employee morale, get the full benefit of its investment in its workforce and support the people that define its success with an employee retention program.

For them, employee retention programs connect professional achievement with personal rewards, helping people to do more and inspiring them to stay longer (Infosurv 2002). A lack of motivation in any member of the team can have a negative effect, reducing the effectiveness and possibly leading to the demotivation of others<sup>1</sup>. However, through this research, the researcher will discuss Herzberg's two factor theory of motivation and show the relationship between motivation and job a satisfaction and hence how these two aspects lead to employee retention.

### **1.9.3 Job satisfaction**

Job satisfaction is very important in one's work place. Don and John in their 10<sup>th</sup> edition book, Organisational bahavior, define job satisfaction as a collection of numerous attitudes towards various aspects of the job and represent a general attitude. They also state common important sources of job satisfaction for many employees. These include the challenge of the job, interest that the work holds for the employees, physical activity required, working conditions, and rewards available from the organisation, and nature of co-workers etc. High level of dissatisfaction in any of these factors would indicate to managers that problem exists. Job satisfaction is closely related to organisational commitment since they are influenced by same factors like pay, working conditions, opportunity for advancement etc Don and John 2006.

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#### **1.9.4 Staff Retention**

Retention is keeping personnel within the company from departing. The role of managers is very important in managing retention. Garret (1997) defines personnel retention as comprising of all measures that can increase the probability of employees staying in the company for a long time to allow returns on investment. While Kaye and Sharon Jordan-Evans (2000) advises human resource to lead retention efforts by making managers the owners, responsible and accountable for keeping good employees.

A manager needs to deal with each person one at a time and working together one on one. A “good manager” is one who will help talented people find satisfaction in their work and “satisfaction” is the key to an employee decision to stay or leave an organization. (Buckingham and Coffman, 1990, Kreisman, 2002; Kaye and Jordan, 1999)

The research carried out by the Info survey in 2002 at Martz shown that employee retention programs create new focus and inspire new dedication and their effect have an ongoing positive effect on customer experience. The researcher identified 3 factors to be discussed under this aspect of employee retention; these include voluntary turnover, recruitment and selection, and retention plan.

#### **1.10. Limitations to the study**

This study is subject to the following limitations:

1. Lack of facial contact with the supervisor
2. Translation of company documentation from French to English
3. Reluctance of employees to answer the questionnaire

## **1.11 The case company**

MAGASINS GENERAUX indicates warehouses approved and controlled by the public authority where goods of different kind are deposited to facilitate customs control and maximizing the customs receipts.

The MAGERWA strives to be a modern company which is profitable with modern and efficient service delivery to ensure higher quality services in handling public goods, efficient storage facilities and participate in national development. The public bonded warehouse of Rwanda (MAGERWA) has experience to managing the assorted varieties of cargo; land freight, Air Freight, Transit goods etc. As the first custom bonded warehouses of Rwanda, the company has been handling most of import and export goods. It also provides transit facilities for all cargo passing through Rwanda to the neighbouring countries.

## **1.12 Organization of the study**

The thesis will have five chapters.

Chapter 1: This is concerned with the general introduction, background to the case company, problem statement, research objectives, and research questions; scope and significance to the study, research methodology, over view to the theoretical framework and finally the organization of the thesis.

Chapter 2: This accounts for theories relevant for the retention management (thesis enquiry questions), motivation, and staff turnover where books and articles of different authors will be reviewed. And annual reports of Magerwa from 2005 to 2009.

Chapter 3: Discusses the research methodology and encompasses collected and methods used to collect data.

Chapter4: This is composed of findings, analysis and interpretation of data and

Chapter5: The chapter draws the conclusion and recommendations as well as some suggestions for further research.

## **CHAPTER 2. LITERATURE REVIEW**

### **2.1. Introduction**

This chapter starts with discussing the concept of retention management under which voluntary turnover, recruitment and selection are also discussed. Further the chapter brings together theories relating to organization culture, motivation, job satisfaction and staff retention as research base theory. At the end of each factor discussion (Organizational culture, motivation, job satisfaction), the study will point out how each of them leads to staff retention.

### **2.2 Retention Management**

Retention management is defined as the art of retaining people for the benefit of the organization, while staff retention is defined as the effort by employers to retain current employees in their work force, with the purpose to avoid employee turnover and associated costs of hiring and training expenses, productivity loss, lost customers, diminished business and damaged morale among remaining members of the work force (RDM, Retaining your best people 2006, p.5). Retention management has been a hot topic for many researchers and it is a major concern for many organizations. Employee retention programs connect professional achievement with personal rewards, helping a company's people to do more and inspiring them to stay longer (Infosurv at Maritz Inc 2002). According to Wayne Reschke (1999), the central to successful retention is to know the dreams, aspirations, interests, and needs of employees and translating this knowledge into responsive organizational practices. Retention doesn't just happen; therefore keeping people must become a significant element of a business strategy he continues.

Retention cannot be accomplished purely through money. A host of on the job and off the job factors must be considered when developing a retention plan Mitchell, Halton, & Lee (2001). According to these authors, voluntary turnover is huge problems for many organizations today and there are many reasons why people voluntarily leave organizations. Some reasons are personal and others are influenced by the employing organization. According to Mike (2003), staff retention topic is very important to any organization and managers should not ignore it. This

is because it is very expensive to replace departing staff in terms of recruitment, hiring, and retaining, orienting and staffs. There are also other related costs that go with replacing employees and appear in terms of time, money and energy spent by managers in replacing departing staffs. However, under this section, voluntary turnover and problems associated with it will be discussed together with recruitment and selection as key factors to staff retention.

### **2.2.1 Voluntary turnover**

Turnover like poverty will always be with us; therefore achieving a zero turnover is neither realistic nor desirable says L.Branham (2001 p, 5). Voluntary turnover is initiated by employees (often who the company would prefer to keep (Noe, Hollenbeck, and W.2003).

In a human resource context, turnover or labour turnover is the rate at which an employer gains and losses employees and is measured for individual companies for their industry as a whole. (James Keegan 2008). High turnover often means that the employees are unhappy with the work or compensation but can also indicate unsafe & unhealthy conditions. While the low turnover indicates that none of these stated above is true he adds.

Dr Jon Anton & Anita Rockwell (2004) have identified a number of “best practices” among world- class call centers that contribute towards improving staff retention. They provide few secrets to minimizing agent turnover:

- Turning managers into “Retention champions”
- Individualizing the customer service representative (CSR)
- Provide clear and balanced expectations
- Investing in CSR/ training
- A fun place to work
- Chance of advancement
- Tools to do the job

Employee retention is very important to the long term success of the organization. And this is getting very serious because the job market is tight and competition is fierce for top candidates. Some studies estimate that losing an employee costs a company 100% of that employee salary says (Shawn Abraham 2007).

Voluntary turnover have negative as well as positive impact on both the individual and organization. Derek, Hall and Taylor (2005), discuss the positive and negative effects of staff turnover in terms of costs. Positive effects include fresh blood of new employees, fresh ideas and experiences which make the organizations more dynamic. However negative effects include the cheer costs associated with replacing people who have left, ranging from the cost of placing a recruitment advertisement, through the time spent administering and conducting the selection process, to expenses required in inducting and training new employees, lost resources and a poor image in the labor market. William O. (1994) states that in addition to financial considerations turn over takes its toll in other ways as well it lowers staff morale, safety, productivity, interdependently, cooperation, and most significantly customer service.

It is also argued that high turnover rates are symptomatic of a poorly managed organization

While Mitchell, H. and Lee (2001) described different reasons why people leave voluntarily the organization; and problems caused by the turnover at individual level and organization level. At the individual level, these authors noticed that while the individual believes that leaving the job is the right thing to do, the transitions to another job or situation take a personal toll. Going to another job is stressful since it requires many adjustments. Some people estimate that it can take up to a year for adjustments to be made and a career to get back on track, they add.

At the organizational level, turnover inflicts numerous costs. Departing employees often take with them valuable knowledge and expertise gained through experience. In addition to indirect costs, organization faces many costs directly related to the turnover and hidden costs. Direct costs, according to Mitchell, H. and Lee (2001) are exit interview time and administrative requirements, pay out of unused vacation time and the cost of temporary workers or overtime for co-workers asked to fill in. In the same way, Michael, (2001) talked about the significance of labor turnover and says that high rate of attrition can destabilize a business and demotivate those who attempt to maintain levels of service and output against a background of vacant posts, inexperienced staff and general discontent. According to the CIPD (2000) turnover is a normal part of the organizational functioning, and while excessively high turnover may be dysfunctional, a certain level of turnover is to be expected and can be beneficial to an organization.

### **2.2.2 Reasons for employees leaving**

According to Derek, H & Taylor (2005), people leave for a variety of different reasons, many of which are wholly outside the power of the organization to influence. They categorized the main reasons people have for voluntarily leaving a job in 4 categories as follows: outside factors, Functional turnover, Push factors, Pull factors.

Taylor and his colleagues (2002) in their interview with 200 people who recently changed employers about why they left their last job, found a mixture of factors but concluded that push factors (job dissatisfaction, ineffective supervision, poor level of employee involvement, insufficient development opportunities, boredom, etc) were a great deal more prevalent than pull factors as causes of voluntarily resignations. The major factors were dissatisfaction with the condition of work, insufficient career development opportunities and bad relationship with the immediate supervisor. Brahma, 2001) gives six reasons why good people leave

1. No link between pay and performance
2. Lack of growth or advancement opportunities
3. Lack of recognition
4. Lack of opportunity to use their natural talents
5. Unclear or unrealistic expectations
6. Abusive managers or toxic environment

Alexander, 2010) talks about retaining talents and brings about common reasons for employee leaving. These are the following: employees leave for other jobs if they are not rewarded well for their work, if they do not have adequate advancement opportunities or are not using their skills to the maximum potential; incompetent and incompatible supervisors, incompatible work hours and harsh company policies also are the reasons for employee leaving.

Furthermore, Michelman says that many workers prefer to stay with their current employer if their manager presents them with opportunities to grow, develop their skills, and position themselves to move forward in their careers. Given that a bad boss is one of the most common

reasons for the departure of top performing workers, organizations should ensure that you treat the direct reports right<sup>i</sup>.

Mitchell and his colleagues (2001) say that major factors; job satisfaction and job alternatives, captured most of the academic attention. They argue that people who are satisfied with their job will stay, while those who aren't will leave. Given the same level of dissatisfaction, people with more alternatives will be more likely to leave than those with fewer alternatives.

### **2.2.3 Recruitment and selection**

According to Mike Flaherty, (2003) Managers should look for prospective employees with potential to learn and grow with the organization. He argues that investing in personnel from the start builds and maintains competent staffs. Companies need to raise productivity by managing talent better *The Economist* (October 2006). According to Valerie, Mary & Grenier (2006), employee turnover can be detrimental to customer satisfaction, employee morale and overall service quality. They argue that moral organization that hires the right people, trains and develops them to deliver service quality and provide the needed support must also work to retain them. According to Michael Armstrong, (2001), the recruitment plan should include plans for attracting good candidates by ensuring that the organization will become an “employer of choice”.

Retention starts with recruitment. Management needs to pay more attention to recruitment if it wants to slow down the revolving door that may result from recruiting and hiring in a crisis mode (Mike Flaherty, 2003). He argues that the smart manager makes hiring decisions based on the organization's mission or vision. Depending on the size of the company it is important to always look for good talent and once hired, the company must work hard to retain them (Miodonski, 2005).

According to Kate, (2003) to find and hire good people with current skills, managers should look in the right place and understand what they need. He states three steps an organization should go through if it is to hire good people:

- **Getting organized**
- **Source of talent**
- **Selecting the best candidates**

Branham, 2001, argues that every mistake in hiring creates a higher turnover in the future and gives helpful practices to recruit the right people. These are the following:

- Redesigning the job itself to be more rewarding by combining tasks, forming natural work units, establishing client relationships, vertical loading and opening feedback channels.
- Defining the expected results and needed talent
- Creatively expanding the talent pool

However, there is a line between organizational restructuring and recruitment and selection practices this is shown in the insight of business for MsM 2000-2009. According to this article, the recession in the early nineties led to cost cutting and restructuring in a number of industry sectors, to enable companies to respond more rapidly to changing market demands through increased organizational flexibility. It was during this period of restructuring that a number of changes began to occur within the employment market and recruitment and selection method within organizations started to change.

Raise efficiencies within the recruitment and selection has increasingly involved focusing on a number of factors such as evaluating the skills level required to meet organizational goals, reassessing training and development programmes and responding to changes in working patterns to encompass and increasingly diverse workforce (Business insight limited 2000-2009, created for MSM). Mike (2003) argues that finding and hiring the best candidates will benefit the organization and the new employees over the long-term.

#### **2.2.4 Retention plan**

Retention plan is based on a retention strategy which takes into account the particular retention issues the organization is facing, and determines ways in which these issues can be dealt with, Michael, 2001). Mitchell and his colleague believe that in order to develop a retention plan, on-

the-job (manager coaching and teaching) and off- the- job factors (educational and training courses) must be considered.

That the leader must investigate these factors and select those which are the most applicable to the organization. Bevan et al, 1997) proposed that retention plan can be based on risk analysis to quantify the seriousness of losing key employees or of the key posts becoming vacant. The risk analysis will provide specific information on areas of concern and where action needs to be taken. Bevan argues that retention plan should propose actions which focus on each of the areas in which lack of commitment and dissatisfaction can arise.

### **2.3 Organization Culture**

(Michael, 2001) defines the organization culture as the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and things get done. Furnham and Gunter 1993 stress the significance of in the following statement: “Culture represents “social glue” and generates “we-feeling”, thus counteracting processes of differentiation which are unavoidable part of organizational life. Organizational culture offers a shared system of meaning which is the basis for communication and mutual understanding. If these functions are not fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization” Michael Armstrong (2006). The organizational culture plays a vital role for an organization in retaining employees. Sheridan (1992) proves that employees in companies emphasizing a culture of interpersonal relations rather than task orientation have significantly lower turnover rates.

Keeping in mind the assumption that the organizational culture plays a big role in retaining and motivating employees, Marnie Green (2008) explores the four essential elements of organizational culture that foster high levels of employee retention and Practical strategies for developing these cultures in one’s workplace. These include an intense focus on choice, balance, development and care.

### **2.3.1. Through the culture of choice**

According to Marnie, Donald N. Smith, the president of Burger King said, "The individual choice of garnishment of a burger can be an important point to the consumer in this day when individualism is an increasingly important thing to people." (2008) Burger King recognized long ago that Americans expect to have multiple choices each day. However workers are not an exception to this rule. Today's employees are looking for choice in the methods they use for completing a job, in the benefits they receive from work, and in when and how they report to work. Marnie has also learnt that choices in the tools they use, the methods they employ, and the recognition they receive are all characterized as innovations in human resource management and that there is a link between employee empowerment and retention.

### **2.3.2. The culture of balance**

Marnie says that employers with lower levels of turnover recognize the increasingly important issue of balance and are addressing this need with proactive programs to help workers find satisfaction at home and on the job. This trend is being driven by a growing population of women in the workforce. She also argues that the trend is expected to continue with young women surpassing men in professional degree acquisition. And, while some organizations have already responded to this call, those organizations with professions that are typically dominated by males may find this to be an increasingly important issue in terms of attracting and retaining workers. Marnie to conclude on this culture said that when coupled with flexible hours and family-friendly benefits, these organizations are recognizing the impact a balance focused work culture can have on retention of top performers.

### **2.3.3. The culture of development**

Marnie in the same article "The four cultures of employee Retention (2008)" she says that high rates of retention are clearly linked to the amount of attention the employee gets in terms of their professional development and growth. When employees feel that their career goals have been acknowledged and that they are continuing to be challenged on the job, they are likely to stick around while employees who feel stagnated, ignored, or bored will likely start to look for other opportunities. She suggests that the culture of development can be developed through training,

mentoring, and clear career paths. She also argues that the strongest culture of development is created by the first line supervisor who works with the employee each day by showing that they are interested in the employee's growth and development by asking the right questions and by understanding where the employee wants to go professionally and hence increased levels of retention.

#### **2.3.4. The culture of care**

In organizations where retention levels are high and turnover is low, research has found that employees find some level of inspiration from their jobs. Such inspiration might be a sense of contributing to the greater good. It might be a commitment to the team and its goals. Inspiration may be derived by following a committed and ethical leader. However the inspiration is created, employees must be lead to care about their work and about the organization Marnie says.

According to Marnie 2008, Bowen indicates that employees will be motivated to stay put and work at higher levels if they feel that they are cared for and if they care about the work they are doing. In other words, employees must feel a sense of inspiration to fully commit to their daily activities. After further review, the following conclusions were found:

- the leaders, including managers and supervisors, directly impacted the culture and the sense of care within the organization.

- The leaders did not recognize the impact their behaviors were having on the morale of the workforce.
- For morale, and thus retention levels, to improve, the leadership team, many of whom were new to the organization, needed to address their own beliefs and skills as it related to being leaders.

Marnie argues that the relationship between these key players and employees is a major factor in employee retention today. She also says that it makes sense to explore what it takes to retain and develop a committed staff and consider retention as a long-term strategic goal for organizations that recognize its value rather than a factor of economic times.

### 2.3.5 Values and beliefs

According to Michael (2001) values are beliefs in what is best or good for the organization and what should or ought to happen. The stronger the value the more they will influence behavior; this does not depend on their having been articulated. Michael brings out areas in which values can be expressed, implicitly or explicitly, these include: performance, competence, competitiveness; innovation, quality, customer service, teamwork, care and consideration for people. Michael suggests that; first, values should not be imposed to employees rather they should be involved in their formulation and in discussing with management how they are to be upheld.

Second, management must not define and communicate values in such a way as to inhibit flexibility, creativity, and the ability to adapt to change. Values have to emphasize the need for flexibility, innovation and team working as well as the need for performance and quality.

Third, too much should not be expected from campaigns to increase commitment. Management may reduce employee turnover, increase identification with the organization and develop feelings of loyalty among its employees. They may increase job satisfaction but there is no evidence that higher level of job satisfaction necessarily improve performance. They may provide a context within which motivation and therefore improve performance. But there is no guarantee that this will take place, although the chances of gaining improvements will be increased if the campaign is focused up on a specific value such as quality. According to Bob de Wit & Ron Meyer (2005), each person in an organization can have their own set of values, shaping what they believe to be good and just. They argue that when an organization's members share a common set of values, determining what they see and worthwhile activities, ethical behavior and moral responsibilities, this can have a strong impact on the strategic strategy.

Organizational beliefs on the other hand, include all strategic choices and important assumptions about the nature of the environment and what the firm needs to do to be successful in its business Bob de Wit & Ron Meyer (2005). These scholars assume that if people in a firm do not share the same fundamental strategy beliefs, joint decision making will be very protracted and conflictual. They believe that the stronger the set of shared beliefs subscribed to by all organizational

members, the easier communication and decision making will become, and the more confident and driven the group will be. Mike 2003 says that more people lose or leave jobs because they did not fit the workplace culture than from lack of work skills.

People want to know the values of the organization they are working for and if they align with their own Paul Phillips (2008).

### **2.3.6 Manager's role**

Jacfitz-enz (2006) believes the HR organization will never achieve full potential until it can describe the role of Human Capital plays in creating organizational value and demonstrate its investment return (Result Driven Manager, 2006). According to (Michael 2001) the support of top management is achievable by processes of marketing the HR function and persuasion. Obtaining support requires market research and net working-getting around to talk to managers about their needs and testing new ideas to obtain reactions. Gaining commitment will be easier if managers know that they have been consulted and that their opinions have been listened to and acted upon.

Michael (2001) in his summary about motivation strategies suggests that to motivate employees HR should develop reward systems which provide opportunities for both financial rewards and non-financial rewards to recognize achievements. The HR should also bear in mind that financial rewards systems are not necessarily appropriate if expectancy, goal, and equity theory are not taken into account in designing and operating them. He also suggested that HR have to ensure that leadership potential is identified and thus provide guidance and training to develop leadership qualities.

Who is responsible ultimately for staff retention?

Mike Flaherty 2002 an organizational Consultant at the Rural Institute answered this question in these words: "Retention starts at the top. Seeking, getting, and keeping qualified, motivated employees are the responsibility of the governing board and its hired director/administrator. Getting and keeping good staff demands focused formal agency policies that make retention a

prime management outcome. Managers need to appreciate staff every day and constantly work to keep them onboard”. He argues that retaining good staff begins in the recruitment/ hiring phase.

### **2.3.7 Leadership**

At the basis of the organizational leadership perspective lies the belief that if people in organizations are left to “sort things out” by themselves, this will inevitably degenerate into a situation of strategic drift Bob de Wit & Ron Meyer (2005).

Taylor (2001:27) argues that the most important element in retention is the leader. Taylor argues that the leader makes the difference and is the face of the company. Shackleton 1995, p.2 defined leadership as the process in which an individual influences other group members towards the attainment of group or organizational goals. James 2008 argues that it is crucial to understand the importance of leadership in engaging and motivating employees. He suggests that engaging and motivating employees should be done through coaching, assessment and training, to identify managers preferred leadership style and to increase their confidence. James suggests that staff engagement is fundamental to retention and should be a focus at both a personal level and wider business level.

The staff engagement has to be led by line managers in the form of informal recognition, and the staff retention by the business as a whole, through training, internal communication and formal rewards and benefits. For example in his call centre they launched an employee wellbeing programme, called “wellbeing @ work”, to provide information and education on improving personal health and fitness.

## McGregor's Theory X & Theory Y Managers

Although not strictly speaking a theory of leadership, the leadership strategy of effectively-used participative management proposed in Douglas McGregor's book has had a tremendous impact on managers. The most publicized concept is McGregor's thesis that leadership strategies are influenced by a leader's assumptions about human nature. As a result of his experience as a consultant, McGregor summarized two contrasting sets of assumptions made by managers in industry.

| <b>Theories X managers believe that:</b>  | <b>Theory Y managers believe that:</b>  |
|---|---|
| <ul style="list-style-type: none"><li>• The average human being has an inherent dislike of work and will avoid it if possible.</li><li>• Because of this human characteristic, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives.</li><li>• The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else.</li></ul> | <ul style="list-style-type: none"><li>• The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under proper conditions, learns not only to accept but to seek responsibility.</li><li>• People will exercise self-direction and self-control to achieve objectives to which they are committed.</li><li>• The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life.</li></ul> |

**Source:** Bolden, R., Gosling, J., Marturano, A. and Dennison, P. 2003 in their review of leadership theory and competence framework.

Bolden et al concluded this theory that a leader holding Theory X assumptions would prefer an autocratic style, whereas one holding Theory Y assumptions would prefer a more participative style. However, according to Hedberg and his colleagues, employees want a leader who knows them, understands them, care, concern, and treats them fairly, and someone they can trust. For leaders to hold their part in retention as well as learning new skills and behavior, they need to be

provided with training and support to perform their new roles Hedberg et al (2007). Leaders should strive to overcome organizational inertia and adapt the organization to the strategic direction they intend Bob de Wit & Ron Meyer (2005). Leadership is needed to ensure the best strategy is followed.

### **2.3.8 Communication**

Kevin Wheeler (Sep 29, 2004) suggests that managers should keep employees informed. He argues that silence is the greatest enemy of retention. When management does not update the employees on the financial and business state of the company and when rumors can be counted by the minute, turnover goes up and productivity goes down. The organization also needs conduits for employees to let them know about changes in their development, classes taken, and new skills acquired.

Employees want the employers to use this information to help them find promotions or new positions within the organization that will offer them a greater challenge or more financial incentive. The two-way communication between employer and employees is as critical as performance management. Lind & Gustavsson (2006) agree that communication is the main tool in leadership practices and the cohesion factor in organizations.

“According to an analysis from Mercer Human Resource Consulting, if an organization wants to improve employee commitment, satisfaction, and retention, it should evaluate how it communicates with its employees. In their survey, when Mercer asked a representative of 2600 workers about their attitudes and perception regarding their job, organization, compensation, benefits, work environment and management of their organization, they found that employees value effective communication with their employers. They also found that communication reflects their overall commitment & satisfaction, and is a factor in their decision to stay with or leave an employer” Kate Perrin (2003).

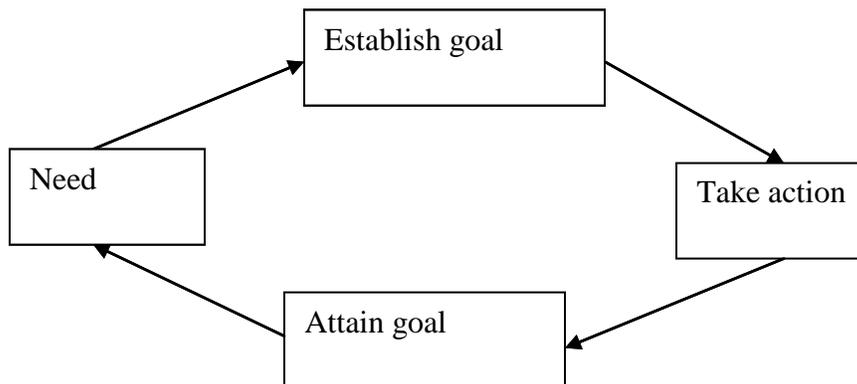
Mike Flaherty 2003 suggests that clear and open communication is the best foundation for nurturing staff. Retentions managers are truth tellers and feedback providers, in such a way that’s honest and yet respectful (Kaye & Jordan 2000). Kaye and Jordan argue that retention managers

communicate often and honestly to their people, and, in turn, encourage them to provide information and feedback. Retention managers create an environment in their own function or department or team that's nurturing and enjoyable.

## 2.4 Motivation

Motivation is concerned with factors that influence people to behave in certain ways Michael Armstrong (2001) p.156. Michael argues that the success of an organization is in the hands of its people. When they're motivated, it will make a difference to the business and the bottom line (Infosurv 2002). This article states that in order to be successful, employee retention strategies must be grounded in a deep understanding of the unique population and what drives the individuals that make up the company. Employee retention strategies should be defined by the corporate culture, the business objectives and people

**Figure 2: A needs-related model of the process of motivation**



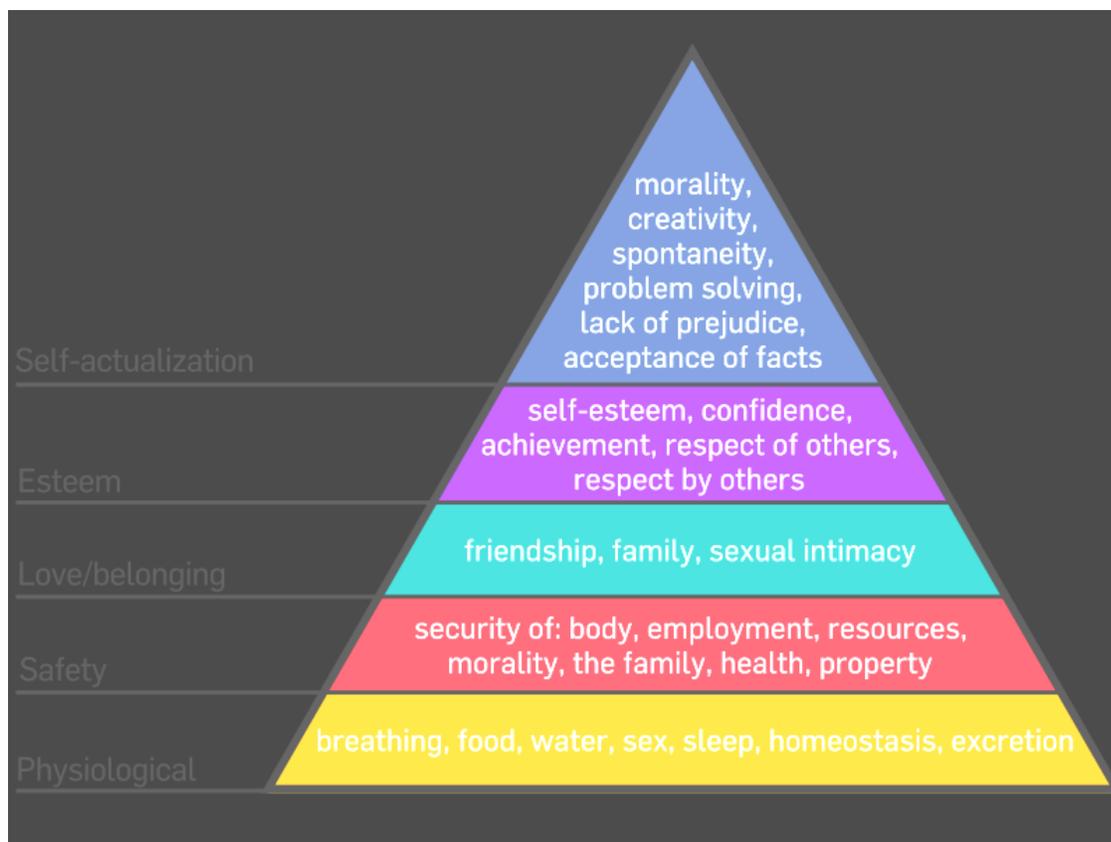
**Source:** Human Resource Management Practices 8<sup>th</sup> Edition by Michael Armstrong 2001

The model suggested that motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. These needs create wants, which are desires to achieve or obtain something. Goals are then established which it believed will satisfy these needs and wants and a behavior pathway is selected which it is expected will achieve the goal. If the goal is achieved, the need will be satisfied and the behavior is likely to be repeated the next time a similar need emerges. If the goal is not achieved, then the same action is less likely to be repeated.

## Maslow's hierarchy theory

It was enunciated by Maslow in 1943 examining the question why people work in terms of their need satisfaction or need deprivation, his theory postulates that human needs can be organized into a hierarchy of relative prepotency with the physiological needs at the bottom and self actualization at the top. Lower order needs are cyclic and satisfaction of the latter leads to emergency of a higher order, and satisfaction of higher order needs leads to efficiency. He presents the five need categories which are presented below:

**Figure 3: Maslow's need Hierarchy**



**Source:** =Maslow's Hierarchy of Needs. The New York times June 10, 1970.

Herzberg, Mausner ,and Snyderman(1959) interviewed 200 engineers and accountants to explore what factors were motivating and concluded that many factors that were thought to be motivating, such as pay and managerial style, were not motivating at all. Herzerberg (1966) proposed that job satisfaction and dissatisfaction are not opposite ends of continuum, but rather

represent two distinct variables. “Intrinsic motivational factors which consists of satisfiers or motivators and extrinsic factors consisting of the dissatisfiers, they describe the environment and serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. Much research has been done on what motivates and drives human behavior. Research by Herzberg et al. (1959) suggests that to understand the motivation of employees, one need to understand the attitudes of the employee. Herzberg suggested two lists of factors that affect satisfaction. Those were *Motivation* and *Hygiene*. This two-factor theory proposes that the motivational factors relates to our psychological needs as humans to grow and develop ourselves, while the hygiene factors relates to our physical needs.

These hygiene factors, or maintenance factors, such as supervision, salary, organizational structure and working environment, are all basic expectations. This means that they in themselves do not create job satisfaction, but if they are lacking or even absent, then can cause dissatisfaction. The factors that do influence satisfaction positively are instead the motivational factors, such as the job itself, recognition or advancement opportunities. In short, the hygiene factors will act de-motivating if they were not at a satisfying level, while the motivational factors will act as positive effort-sustainers.

Herzberg’s research proved that people will strive to achieve “hygiene” needs because they are unhappy without them, but once satisfied the effect soon wears off- satisfaction is temporary. Then as now, poorly managed organization fail to understand that people are not “motivated” by addressing “hygiene needs”. People are only truly motivated by enabling them reach for and satisfy the factors that Herzberg identified as real motivators such as achievement, advancement, development etc, which represent a far deeper level of meaning and fulfillment.

However, Guest (1992b) provided an approach to motivation that replaces the theories of Maslow and Herzberg; he suggests that process or cognitive theory can be more useful to managers than needs Theory because it provides more realistic guidance on motivation techniques. The processes are a) expectations (expectancy theory), b) Goal achievement (Goal theory) and c) Feelings about equity (equity theory). Expectancy theory developed by Vroom (1964) explains why intrinsic motivation arising from the work itself can be more powerful than the extrinsic motivation; the intrinsic motivation outcomes are more under the control of

individuals who can place greater reliance on their past experiences to indicate the extent to which positive and advantageous results are likely to be obtained by the behavior.

Furthermore, Boethius & Ehdin, 1993) states that the external motivation gives the possibility to push from behind and at the same time entice from the front with rewards. To create the right conditions for the internal motivation, two things are demanded according to Boethius & Ehdin (1993): first the company needs a well functioned value system which is clearly communicated. The company' values need to be work out thoroughly and intended in an honest way. The second condition in order to create the internal motivational is that the employee needs to know their own values and what they value the most. Hawthorn studies, conducted by Elton Mayo 1924-1932 (Dickson, 1973) found that employees are not motivated by money and employee behavior is linked to their attitudes.

Skinner's theory, 1953) states that those employees' behaviors that lead to positive outcomes will be repeated and behaviors that lead to negative outcomes will not be repeated. Smith, 1994) agrees that motivated employees, help organizations survive. However, to be effective, managers need to understand what motivates employees within the context of the roles they perform.

## **2.5 Job Satisfaction**

Locke and Lathan (1976) define job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is so important in that its absence leads to laziness and reduced organizational commitment (Levinson, 1997, Moser 1997). Job satisfaction is a collection of numerous attitudes towards various aspects of the job and represents a general attitude. Job satisfaction is linked to organizational performance, because organization with satisfied employees tend to be effective than those with unsatisfied employees Don, John & Jr (2006). Jackson (2007) argues that people have innate dispositions that cause them to have tendencies towards a certain level of satisfaction, regardless of one's job. Mitchell and his colleagues (2001) argue that people who are satisfied with their job will stay, while those who aren't will leave.

Timothy A. Judge 1998 states four core self evaluation that determines one's disposition towards job satisfaction: Self esteem, general self efficacy, locus of control and neuroticism. His model

states that higher level of self esteem (the value one places in his/herself) and general self efficacy (the belief in one's own competences) lead to higher work satisfaction; and lower level of neuroticism lead to higher job satisfaction. Furthermore, Job satisfaction can be understood in terms of its relationship with other key factors, such as general well-being, stress at work, control at work, stress at work, home at work interface, and working conditions Weiss (2002). Job satisfaction is also related to job enrichment, good supervision, clear roles, and met expectations Mitchell, H & Lee (2001). Job satisfaction is very important for a variety of reasons and the lack of job satisfaction is a predictor of quitting a job A, L & Hellmann (1997) Library Philosophy and practice (2007)

It is found in many researches that job satisfaction can lead to intention to stay or quit in an organization (Kim et al, 1996). Recent researches have also shown that intention to quit can have effect like poor performance orientation, organization deviance and poor organizational citizenship behaviors (Krishnan, Sandeep and Singh, Manjari, 2010).

A poor relationship with a manager is one of the primary reasons people become dissatisfied Abraham (2007). The manner in which the supervisor communicates their subordinates may be more important than the verbal content (Teven P156). Individual who dislike and think negatively about their supervisor are less willing to communicate or have motivation to work where as individuals who like and think positively for their supervisor are more likely to communicate and are satisfied with their job and work environment, the relationship of a subordinate with their supervisor is a very important aspect in the work place. Therefore a supervisor who uses nonverbal immediacy, friendliness, and open communication lines is more willing to receive a positive feedback and high job satisfaction from a subordinate and vice versa. Mitchell et al (2001), Kim et al, (1996) believe that satisfaction in the workplace is important for staying.

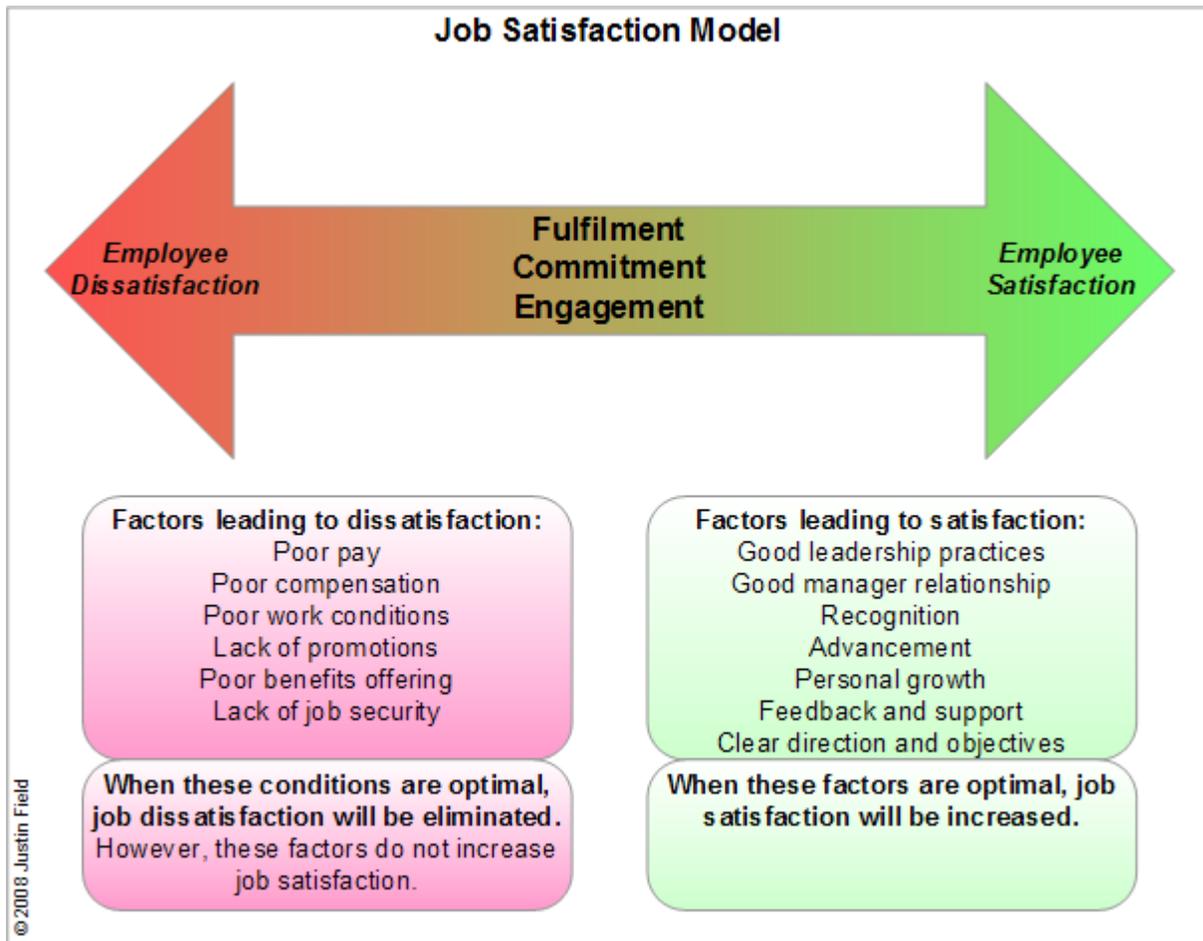
Furthermore, Don, John & Jr (2006) argue that organizational commitment continue to be influenced by job experience, with many of the same factors that lead to job satisfaction also contributing to organizational commitment or lack of commitment: pay, relationship with supervisors and workers, working conditions, opportunity for advancement, etc.

Improvement in the organization's job satisfaction and culture can be made through positive work conditions, good relationship with supervisor and workers. Boyens (2007) stresses same examples of work environment that have to be improved in order to improve company's job satisfaction, that are clean facilities, comfortable and ergonomic furniture, current technology, break rooms, kitchen and ample parking Hedberg et al (2007). Pay, training and development and quality of line management can also help to increase motivation, satisfaction and commitment to the organization. The products that the organization has to offer its employees are a job (with assorted benefits) and quantity of work life.

What American express and many other companies are finding is that to ensure employees satisfaction, productivity and retention, companies are getting more and more involved in the private lives and family support of their workers.

American Express is regularly included in fortune's list of top 100 companies to work "for-making it every year between 2000 and 2004"

**Figure 4: Job Satisfaction Model for retention**



**Source:** Field's Job Satisfaction Model for retention April 11, 2008

The factors that are going to make some MORE dissatisfied are things like:

- poor pay
- poor compensation
- poor work conditions
- lack of promotions
- poor benefits offering
- lack of job security

Curiously enough, if you were to fix all these factors, you'd still not get a satisfied employee. If you fixed everything above, you'd have an employee sitting somewhere in the middle of the satisfaction scale, so they would be neither satisfied nor dissatisfied.

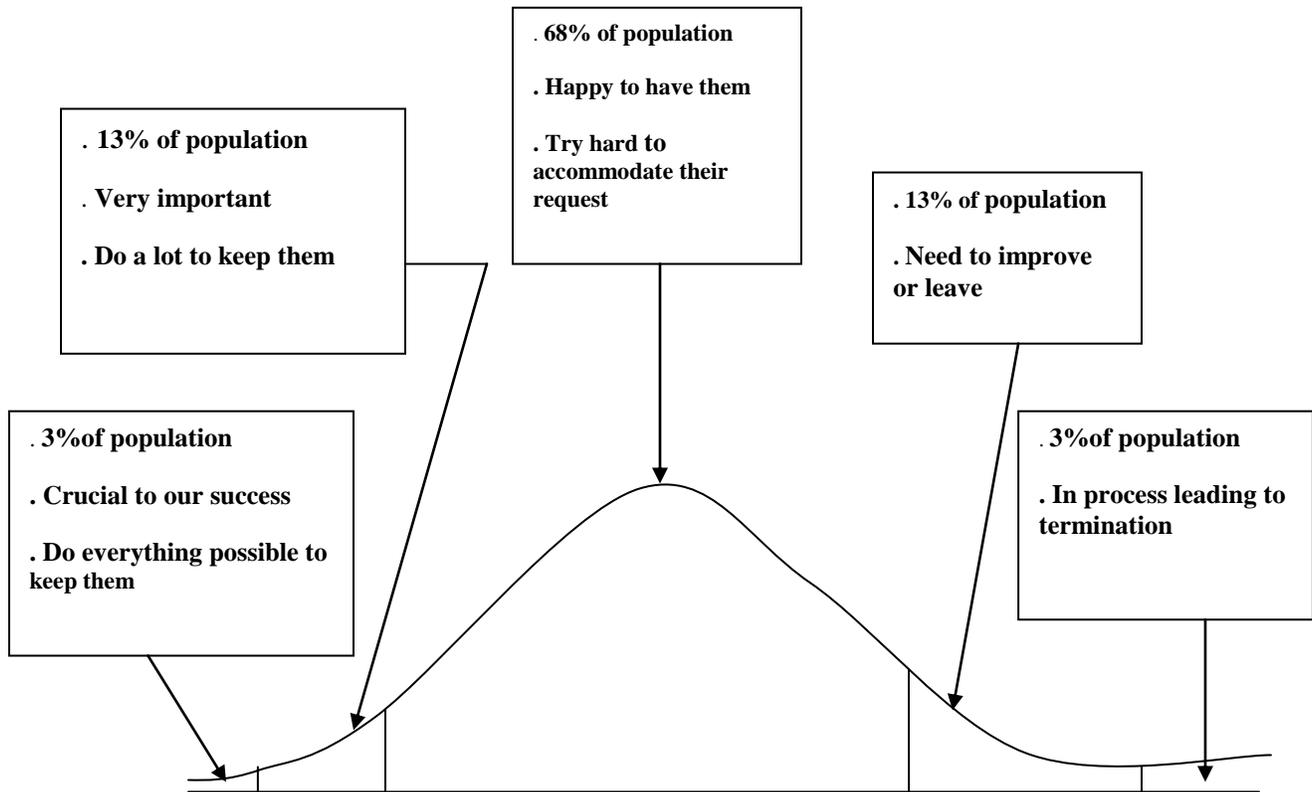
The factors that make an employee more satisfied are things like:

- Good leadership in the organization
- Good relationship with their manager
- Recognition for their achievements (not necessarily monetary recognition)
- Advancement in their careers
- Personal growth and development
- Feedback and support (meaningful feedback, not just naked criticism)
- Clear direction and objectives

So there is a lot that can be done on the positive side to increase satisfaction. Naturally, there are of course many opportunities on this side of the house where a good talent management solution can help things along.

## 2.6 Staff Retention

Figure 5: Who should be retained? Developed by Kreisman (2002)



Source: Insights into employees Retention, commitment and Motivation – Kreisman, 2002.

This model of who should be retained developed by Kreisman (2002) states that an organization may not know the actual number of employees it wants to retain but a working assumption is that the employee population follows a normal distribution (Dibble, 1997):

- 3 % are crucial to the organization's success and everything should be done to keep them.
- 13% are very important to the organization and this need to do a lot to keep them
- 68 % of the population should be considered valuable and the organization should do what it can to accommodate them
- 13% of an organization's population probably need to improve their skills and performance, or leave.

- 3% of an organization's population at any one time should probably be in a process leading to their termination of employment.

Kreisman argues that using this data, retention- related strategies should be targeted at 97 percent (%) of the employee of the employee population.

### **2.6.1 Recognition**

Shawn Abraham (2007) argues that reward and recognition is a crucial component to the success of organizational retention programs. He suggests that one of the easiest and best ways to reward employees is to simply congratulate them on a job well done. Companies might consider a systematic compensation/ bonus program designed to establish milestones and reward top performers Shawn Abraham (2007). The lack of recognition from superiors for a job well done is one of the most avoidable reasons to lose a good employee. The desire to contribute and to create value is a basic motivation at any level of responsibility Kevin Wheeler (2004). To feel that your efforts are recognized and appreciated strengthens the bond of loyalty to the employer.

### **2.6.2 Employee development**

In the 21<sup>st</sup> century according to (Simonsen, 1997) "Development is considered as gaining new skills and taking advantage of many different methods of learning that benefit employees and organization alike. He argues that employee benefit from experiencing greater satisfaction about their ability to achieve results on the job and by taking responsibility for their career; the organization benefits by having employees with more skills who are more productive.

Logan (2000) argues that giving employees the opportunity to learn, try new things, and grow as individuals are some of the most critical factors for retaining employees. Jane, Steven and Chris (2009) say that people do not leave organization but leave people; they suggest that organization should practice in-house training to allow employees show their expertise to others throughout the firm while promote networking among personnel who work in different locations.

They point out that with this kind of training new employee will integrate more quickly within the firm, when given the opportunity to interact with other firm employees in this type of environment. They argue that the training received reinforces the employee's sense of value to the firm (Tax adviser march 2009). The opportunity for a personal development is one of the more important variables in personnel selection and retention today Suzan (2009). She argues that training and education, in what the employees is interested in learning, is one of the key factors in retention and motivation. Employers who pay for classes, conferences, and professional associations encourage staff growth and ensure staff motivation. She adds.

It is important for companies to make sure that their employees can access new information and knowledge as quickly as possible and to ensure to secure an order of succession (Garger 1999). William O. states that many employers believe that training boosts morale, enhances motivation, and improves personnel retention. According to Kevin Wheeler (2004) challenge is a powerful motivator to stay or to go. Employees who find their jobs becoming routine tend to lose interest in their work and by extension in their employer. The desire to learn and grow, to push into uncharted waters and be excited about one's work again is a positive force for an employer to harness.

When people feel that they have reached the limits of career growth and there is no more challenge, it is natural to seek change and the excitement of new experiences. Wheeler suggests that every employer should encourage employees to transfer to different positions frequently and institute rewards for managers who let their people go to other departments and who focus on developing their staff. Many employees who leave organizations are simply looking for a bigger challenge or the opportunity to use a new skills or degree. However, Smart organizations will encourage this and motivate managers to source and hire internally whenever possible or even if it will require a bit of training. Education and development are the cheapest retention tools in your arsenal, adds wheeler.

### **2.6.2 Pay and benefits**

Every person has different reasons for working but everyone works because he/she obtains something from work. The something obtained from work impacts on individual's morale and

motivation and the quality of one's life. Most people think that money is what people want from work.

According to Suzan (2009) in her article "Work is about Money", she points out that people work for love; others for personal fulfillment. Others like to accomplish goals and feel as if they are contributing to something larger than themselves, something important. She suggests that whatever one's personal reasons for working, almost every one works for money. She also stresses that fair benefits and pay are the cornerstone of a successful company that recruits and retain committed workers. Without the fair, living wage, organizations risk losing their best people to better paying employer she adds.

The research carried out by the Infosurv in 2002 at Maritz Inc, about how Maritz motivates its employees found that when employees are offered more benefits financial or non financial they will work harder to achieve a specific goal and their overall attitudes and habits will change. They'll become more engaged, which correlates not only with better performance, but also with increased retention, improved customer experience and other desirable factors. Your employees will stay with your company longer, provide better service to customers, and report more attachment and more pleasure in their work.

## **2.7 Summary of the chosen theories**

The following theories were chosen to be the base of the research theoretical framework. In order to facilitate the reading of the research findings, analysis and conclusion here is the summary of the key points of this research.

### **2.7.1 Retention management**

According to Mitchell et al (2001) voluntary turnover is huge a problem for many organizations today and there are many reasons why people voluntarily leave organizations. Some reasons are personal and others are influenced by the employing organization. However, in order to retain their employees, companies need to investigate the causes of turnover.

### **2.7.2 Organizational culture**

The organizational culture plays a big role for the organization in retaining and motivating employees. Taylor 2001, argues that the leader being the face of the company is the most important element in staff retention. Marnie (2008) argues that the relationship between the leader, managers, and supervisors is a major factor in employee retention today and therefore these key players should explore what it takes to retain and develop a committed staff and consider retention as a long-term strategic goal for organization that recognizes its value rather than a factor of economic times. Mike 2002 argues that managers need to appreciate staff every day and constantly work hard to keep staff on board. Mercer's research shows that communication reflects employees' overall commitment & satisfaction, and is the factor in their decision to stay with or leave an employer Kate (2003).

### **2.7.3 Motivation**

The success of an organization is in the hands of its people. When they are motivated it will make a difference to the business and to the bottom line Michael Armstrong (2001). Smith (1994) agrees that motivated employees help organization survive however it is important to recruit employees that are motivated in order to keep them. Motivated employees succeed in their work. Therefore, all managers and supervisors, to some extent, should seek to motivate workers but the common mistake is the failure to understand that people develop values and motivation from within themselves—not from external forces Dr. Robert E. Wubbolding 2002.

### **2.7.4 Job satisfaction**

Job satisfaction is important in that its absence leads to laziness and reduced organizational commitment (Levinson, 1997, Moser 1997). Job satisfaction according to Don et al (2006) is linked to organizational performance, because organizations with satisfied employees tend to be effective than those with unsatisfied employees. Justin Field (2008) gives the reader a picture of factors that lead to job satisfaction and those factors which lead to dissatisfaction.

### **2.7.5 Staff Retention**

Kreisman (2002) gives the reader a view of who should be retained in an organization. Based on the theoretical framework of the study figured in chapter one, the researcher shows how organizational culture, Motivation and job satisfaction led to staff retention.

The leader being the face of the company, Taylor 2001, argues that the leader is the most important element in staff retention.

Don et al (2006) argue that job satisfaction is linked to organizational performance, because organizations with satisfied employees tend to be effective than those with unsatisfied employees and Mitchell et al (2001) say that people who are satisfied with their job will stay, while those who aren't will leave. In accordance with Taylor, (2001), people need to feel their contributions to the organization are valued and recognized. In addition however, employees should also be provided with benefits (financial and non Financial) to make them more engaged and more productive. Susan 2009 stresses that fair benefits and pay are the cornerstone of a successful company that recruits and retain committed workers.

## **CHAPTER 3. RESEARCH METHODOLOGY**

Before the researcher talks about the way data was collected, let's first recall the research objectives and research questions as well as the research variables.

### **3.1. Research objectives**

The main objective of this research is to identify strategies of retaining employees in MAGERWA; and establish the relationship between motivation, satisfaction and staff retention.

The following are specific objectives:

- i. Identify the most appropriate strategies of retaining staff of Magerwa
- ii. Find out at what extent motivation can influence a person to stay or leave the company
- iii. Analyze the role of Management in improving employee retention and motivation

### **3.2. Research questions**

In order to achieve the objectives stated above and provide answers to research problems, the researcher tried to answer the following questions:

- i. What are the most appropriate strategies that could be used to retain the staff of Magerwa?
- ii. To what extent can motivation lead to staff retention in Magerwa?
- iii. To what extent can job satisfaction influence staff retention?
- iv. What is the role of managers in staff retention and motivation? And who should be responsible for staff retention in Magerwa?

### **3.3. Research variables**

The research depends on the organization culture, Motivation and Job satisfaction as independent variables; and to the Staff Retention as dependent variable.

### **3.4. Assumptions**

1. The organization culture plays a big role for the organization in retaining and motivating employees
2. There is a positive relationship between motivation and staff Retention
3. Job satisfaction can lead to intention to stay or quit in an organization
4. Managers can improve employee retention through employee recognition, development programs and reward management systems.

### **3.5. Limitations**

The answers may not be addressed truly and honestly because people may want to show that everything works properly, therefore the questions were not directly focusing on one element as they were set in a way that different questions lead to the desired output.

### **3.6. Data collection**

The thesis methodology is based on a qualitative and quantitative study where the company of Magerwa has been researched. This chapter gives a detailed methodology used to collect, process, analyze and interpret data. The study was conducted in Magasins General du Rwanda (Magerwa) on the improvement of Employee Retention and Motivation with the focus on Retention Management.

#### **3.6.1. Primary data**

This research is based on both primary and secondary data. Primary data was used to get an in depth and more comprehensive information on appropriate strategies that could be used in Magerwa to improve employee retention and motivation. The collection was made through questionnaire which was distributed to the entire population of Magerwa and leavers based on their availability.

### **3.6.1.1. The Questionnaire design**

As mentioned in chapter one, the data for this research was collected through questionnaires and interview. A copy of the final draft of the questionnaires and the transcript of the interview guide questions is included in Appendix.

The questionnaire was divided into two parts, where part 1 was about general information (department and experience). In part 2, questionnaire was designed by grouping questions in relation with research variables and research questions. Then after, the questionnaire was translated into English.

However, in order to encourage the subject to complete the questionnaire and thereby generate a high response, a cover letter assured the subjects that their responses would only be used in the research findings. The questions used in the questionnaire were generally structured questions asking respondent to indicate his/her level of agreement or disagreement on a number of factors given by the researcher and are thought to be easier to respond than open questions given the time required to answer.

Furthermore, these questionnaires were supplemented by unstructured interview conducted with both employees and managers. Only 3 out 15 top managers namely the Director General, human resource manager and the quality assurance manager were interviewed. The director general has previous experience from one of the companies that practices employee retention programs and motivation in Rwanda. The HR Manager is responsible for keeping statistics on employee movement and achieving a satisfactory rate of employee turnover. The assurance quality is responsible of integration of continuous improvement in all activities to deliver efficiency and service level.

Only interview conducted with the Managing Director and the Deputy Director was recorded and other managers and staff asked not to be recorded but some note was taken during the interview. These questions were developed on the basis of research objectives in line with research variables.

### 3.6.2. Secondary data

This includes previous related literature on the topic under research other related materials that were considered to be relevant. However this was found from libraries, lecture notes, related articles from internet; and documents & annual reports of Magerwa. Secondary data was used because only primary data could not meet the research objectives and provide answer on research questions already set.

### 3.6.3. Study population and Sample size.

According to Grinnell et al (1990) a study population is the totality of persons or objects with which the study is concerned. Clein (1959) defines the population as the aggregate of all cases that conform to same designated set of specifications. In this research, the targeted population is the staff of Magasins Generaux du Rwanda and people who left the company but the sample of the later is based in their availability while the sample size from the staff of Magerwa is based on returned questionnaire. However, the research came up with a total sample size of 30 from staff in service and 25 leavers. Thus, 55 in total.

### 3.6.4. Sample size and sampling method

(Webster 1985) defines a sample as a finite part of statistical population whose properties are studied to gain information about the whole. In this research, the entire population of Magerwa staff currently in service and those who left in the last 5 years was considered when distributing the questionnaire and the sample size was based on returned questionnaire. Furthermore, to get responses from people who left the company, again the sample size was based on their availability.

|                         | 2005 | 2006 | 2007 | 2008 | June 2009 |
|-------------------------|------|------|------|------|-----------|
| N <sup>0</sup> of staff | 191  | 185  | 180  | 173  | 167       |
| Leavers                 | 72   | 17   | 14   | 6    | 8         |

The year 2005 show a big umber of leavers because of the company restructuring 55 staff were laid off while 17 left voluntarily.

Nevertheless, due to the nature of activities carried out in operations department, where 87% of employees are found, only few of people from border posts answered the questionnaire. However the formula developed by Yamane (1967:886) could have been used to select the sample but given the small number of targeted population (less than 200) the researcher considered the total population and then retained the number of returned questionnaires as the sample size.

### **3.7. Data analysis and interpretation method**

The questions of the research were grouped based on the base theory and research variables. Then the data was grouped under the four variables (i) Organization culture, (ii) Motivation, (iii) job satisfaction and (iv) staff retention, with reference to Retention management. Then, the data was edited and processed through SPSS for window version 16.0 ® and interpreted accordingly.

#### **3.7.1. Validity and Reliability**

Validity is concerned with whether the findings are really about what they appear to be about Sounders et al (2003)<sup>2</sup>. During the study, the questionnaire was distributed to the personnel of Magerwa, while interview was conducted with three (3) out of ten (15) managers and with key personnel with work experience from 11 years and above. Those people are assumed to be aware of all the points mentioned in the question and assure the validity of the data.

On the other hand, Reliability of data implies reducing biases and errors in the research (Yin, 1994). However to prevent this bias in interview, the research took note of key points for those who asked not to be recorded and an interview guide has been used in all interviews see appendix (1-4). Questions were in French, English and Kinyarwanda according to respondents and all were translated into English for ease analysis. However, the researcher feels that her English proficiency is more than adequate and do not think that she has missed or neglected any important information during the translation process.

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<sup>2</sup> Meyer & Meyer 2007, How to write your MBA thesis p.238

## CHAPTER 4. DATA PRESENTATION AND ANALYSIS

In this chapter the researcher presents the findings of the empirical study. Findings are presented in form of tables and transcriptions for each type of respondents, structurally aligned with the researcher's theoretical framework, research questions and research variables.

### 4.1. Analysis of Respondents General Information

Under this section, the researcher will present the general information of the respondents including the department, and work experience.

#### 4.1.1. Respondents working department

This section displays the respondents' allocation based on their respective working departments. The first table shows the number of ordinary staff who answered to the researcher's questionnaire. The second table shows managers departments and their respective allocation.

Table1. Staff department

|                                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------------------|-----------|---------|---------------|--------------------|
| Corporate Service Department    | 4         | 40.0    | 40.0          | 40.0               |
| Finance Department              | 1         | 10.0    | 10.0          | 50.0               |
| Business development Department | 1         | 10.0    | 10.0          | 60.0               |
| Operations Department           | 2         | 20.0    | 20.0          | 80.0               |
| General Directorate             | 2         | 20.0    | 20.0          | 100.0              |
| Total                           | 10        | 100.0   | 100.0         |                    |

**Source:** Primary data

As per table 1, 50 % of the respondents are from Operations departments and 23.3% from corporate service department.

Business development is a new department and has only 2 staff. Till the time the questionnaires were distributed none of them have yet left the company.

Table 2: Manager’s department

|                                 | Frequency | Percent | Valid Percent |
|---------------------------------|-----------|---------|---------------|
| Corporate Service Department    | 4         | 40      | 40            |
| Finance Department              | 1         | 10      | 10            |
| Business development Department | 1         | 10      | 10            |
| Operations Department           | 2         | 20      | 20            |
| General Directorate             | 2         | 20      | 20            |
| Total                           | 10        | 100     | 100           |

**Source:** Primary data

MAGERWA employs 139 employees allocated in 5 departments. All MAGERWA ordinary staff has been contacted to answer the questionnaire, however only 30 returned the questionnaires. This number represents 23, 2 % of total staff other than managers.

Based on the MAGERWA HR department, the high employees’ turnover is observed in the operations department and corporate department. The high rate of questionnaire return can be justified as great opportunity for the staff of these two departments to express their views about working environment.

#### 4.1.2. Respondents working experience

Table 3: Employees’ working experience

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Less than 5 Years | 10        | 33.3    | 33.3          | 33.3               |
| 5-10 Years        | 10        | 33.3    | 33.3          | 66.7               |
| 10-15 Years       | 8         | 26.7    | 26.7          | 93.3               |
| 15-20 Years       | 2         | 6.7     | 6.7           | 100                |
| Total             | 30        | 100     | 100           |                    |

**Source:** Primary data

More than 65 % (66.7) of staff have experience between 0 &10 years. this is because of the recent company restructuring (2005 & 2010) which contributed much in hiring a big number of

staff. In addition, in order for the company to be in line of the country vision 2020, of building a better future through a capable and professional workforce<sup>3</sup>, a big number of aged and under qualified staff were laid off during these restructuring.

Table 4: Managers working experience

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Less than 5 years | 2         | 20.0    | 20.0          | 20.0               |
| 5-10 years        | 7         | 70.0    | 70.0          | 90.0               |
| 10-15 years       | 1         | 10.0    | 10.0          | 100.0              |
| Total             | 10        | 100.0   | 100.0         |                    |

**Source:** Primary data

75% of managers have experience of more than five years. Of which 50% are in Corporate department, while 25% fall under the General directorate and the two remaining department are occupied by 12.5 % each of managers.

This is due to the fact that many services are grouped under the corporate service department Though it has been said that MAGERWA has a high turnover of the staff, the researcher found that some of the employees have worked for MAGERWA for more than 20 years. Only 2 of the respondents have more than 15 years of experience. The 70 % of managers have worked more than 5 years. It is found in this research however, that there is a natural turnover at manager's level since 2005; this is shown by the managers 'work experience in table 4.

## 4.2. Analysis of Findings from managers

Findings from managers are presented in the following 5 themes: retention management in Magerwa, organization culture, employee motivation and job satisfaction, and staff retention. Only 8 out of 15 managers returned the questionnaire. In addition to the questionnaire sent to managers, 3 out of 15 managers in Magerwa were interviewed and findings are reported below.

<sup>3</sup> Rwanda vision 2020, Draft 3, 2002

One manager says that Magerwa like any company in Rwanda lost a number of workers in the 1994 Genocide and this entailed Magerwa to employ many people to recapture the business after the genocide. After this period only few businesses could open or could continue already started business. Here employees had no any other job alternative. This made employees to stay long with the company even though there was no retention plan at that time. Both employees and Magerwa benefited from this time since there were few job alternatives on employee side and short supply of employees on the organizations side. All managers interviewed share the opinion that people nowadays are moving and geographically changing their work places many times, especially because Rwanda has joined the East Africa community hence a free movement of people and goods, which has an impact on how long people stay in their jobs in any company. According to managers employees in general have stayed but most of stayed employees were in their older age to change their jobs.

#### **4.2.1. Retention management**

The country of Rwanda has no other resources than its people. Since the Human Resources are the main assets as a base for its development, they should be developed to the extent to sustain such development. Nowadays the labour market of the Rwanda work force is made of young people due to the quick development of educational sector after the 1994 genocide and many opportunities (national & international) now open to them. However, to attract them, some organizations are offering attractive work environment, salary packages, and other privileges, and consequently companies ignoring this are faced with a high employee turnover rate.

In this research, during the interview in regard with retention Management, managers were asked about *the kind of history do Magerwa has in Retention Management and voluntary turnover, problems faced with retention management, and the role of managers/ supervisors in creating a sense of commitment in Magerwa*

Research managerial respondent say” historically the organization did not face much voluntary resignation from employees and when it happened for people to resign new ones entered in such a way that they could not realize the importance of retaining employees.

When they were asked about the existence of a retention plan, their views are displayed in the table below

Table 5: Existence of Retention plan in Magerwa

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly agree    | 1         | 12.5    | 12.5          | 12.5               |
| Agree             | 1         | 12.5    | 12.5          | 25                 |
| Somewhat agree    | 2         | 25      | 25            | 50                 |
| Disagree          | 3         | 37.5    | 37.5          | 87.5               |
| Strongly Disagree | 1         | 12.5    | 12.5          | 100                |
| Total             | 8         | 100     | 100           |                    |

**Source:** Primary data

Only 25% strongly agree/agree that there is a retention plan in Magerwa, this percentage represents newly recruited managers, and the research found that by the time they were recruited, Magerwa had started to recognize the need for retention and hence it was taken into account in development of the strategic plan of 2011-2015. 25% of the respondents somewhat agree with the existence of retention plan. The research found that their agreement is based on the perceived changes in retention management programs now in place. For instance, their agreement is still low because these programs are in their starting phase. 50% of the respondents disagree with the existence of retention plan. According to the HR manager, employees in general have stayed but not because of retention program, instead their level of education and the fact that they had fewer job alternatives. According to the human resource office, the annual report of 2006 presents employee statistics about their age, and work experience. The report shows that 1.6 %, 11.4 % have a work experience of more than 31 years and 11 years respectively. Furthermore, the report shows that only 20% had university level of education; and 49% have only a secondary school level while 39 % had education level below secondary school. Therefore the different levels of education were the main reason of not leaving their job. The 20% with university level of education resulted from the organization recruitment in 2005 after the company restructuring.

James 2008 argues that it is crucial to understand the importance of leadership in engaging and motivating employees. He suggests that engaging and motivating employees should be done through coaching, assessment and training, to identify managers preferred leadership style and to increase their confidence. James suggests that staff engagement is fundamental to retention and

should be a focus at both a personal level and wider business level. The supervisor’s task is to implement company policies and create best possible work conditions respecting legal rights and responsibilities. One supervisor thinks that a leader’s role in retention management is important, and that it could be one of the reasons for employee to stay in the organization.

**4.2.2. Organization culture**

According to Furnham and Gunter 1993, organization culture represents “social glue” and generates “we-feeling”. Sheridan (1992) argues that employees in companies emphasizing a culture of interpersonal relations rather than task orientation have significantly lower turnover rates. To better understand about the role of organization culture in staff retention and test the Hypothesis that organization culture play a big role in retaining and motivating employees, the researcher asked managers about

- *How often do you communicate with your employees?*
- *How often do you use feed back to make employees know when they are doing a good job and what is expected from them?*
- *What roles do managers/leaders play in creating a sense of commitment in Magerwa?*

Table 6: Communication of Values and attitudes

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly agree | 3         | 37.5    | 37.5          | 37.5               |
| Agree          | 3         | 37.5    | 37.5          | 75                 |
| Somewhat agree | 1         | 12.5    | 12.5          | 87.5               |
| Disagree       | 1         | 12.5    | 12.5          | 100                |
| Total          | 8         | 100     | 100           |                    |

**Source:** Primary data

The table 6 shows that 75% of respondents agree that Magerwa has a culture of communicating to newly recruited employees is values while 25% disagree with the communication of its values.

Table 7: Relationship with employees

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly agree | 2         | 25      | 25            | 25                 |
| Agree          | 3         | 37.5    | 37.5          | 62.5               |
| Somewhat agree | 2         | 25      | 25            | 87.5               |
| Disagree       | 1         | 12.5    | 12.5          | 100                |
| Total          | 8         | 100     | 100           |                    |

**Source:** Primary Data

Table 8: Communication and Feedback

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Agree             | 1         | 12.5    | 12.5          | 12.5               |
| Somewhat agree    | 3         | 37.5    | 37.5          | 50                 |
| Disagree          | 2         | 25      | 25            | 75                 |
| Strongly Disagree | 2         | 25      | 25            | 100                |
| Total             | 8         | 100     | 100           |                    |

**Source:** Primary data

The table (8) above shows that 50% of the respondents agree that communication is good in Magerwa while on the other hand, 50% disagree with the existence of a good communication system. Based on managers' opinion during the interview, the researcher found that although some respondents agree with that the current communication between managers and employees is good, they confirmed that the general communication environment is not in a satisfactory level. During the interview on *how often do managers communicate with their employees?*

Managers said that the general communication in Magerwa is not open. Managers reported that they normally communicate with employees in the general meeting which is only held twice a year. One manager said that departments never organize meeting with their respective workers, the majority of managers communicate verbally with employees when there is a need. According

to all respondents, feedback is rarely given and mention that it is given when needed and directly to the concerned employees. The Managing director mentioned that they made it easy for the workers to come to speak to the next hierarchy if it goes wrong with their direct supervisors.

#### **4.2.3. Motivation and job satisfaction**

Keeping everyone happy in the organization is a very difficult challenge since people are motivated by different things. Noe et al (2003) suggest that managers who respond to this challenge successfully can gain a competitive advantage in recruitment, retention and productivity (p.426).

*What do you believe are the most important strategies that could be taken to motivate and retain employees in Magerwa?*

All respondents share the opinion that leadership and management can have an enormous effect on motivation and job satisfaction, especially regarding encouragement and the way employees stay put to their job. Marnie 2008 also says that Bowen indicates in his research that employees will be motivated to stay put and work at higher levels if they feel that they are cared for and if they care about the work they are doing. It was discussed above that there was retention plan in Magerwa and thus one manager agrees with Marine's theory that states "it would make sense to explore what it takes to retain and develop a committed staff and consider retention as a long-term strategic goal for the organization". Respondents believe that if there is a good leadership and management this would include other motivating factors like communication and feedback, respect and recognition because managers believe that these factors can only be successful in a company where there is a good leadership and management. They all agree on the fact there is a lack of good management in MAGERWA, the one which motivates people to stay with the company. Thus they suggest that the existing leadership and management style should change and match with the current labor market and competition.

Table 9: Reward and/or encouragement of good/poor performers

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Agree             | 2         | 25      | 25            | 25                 |
| Somewhat agree    | 2         | 25      | 25            | 50                 |
| Disagree          | 2         | 25      | 25            | 75                 |
| Strongly Disagree | 2         | 25      | 25            | 100                |
| Total             | 8         | 100     | 100           |                    |

**Source:** Primary data

The table above displays the managers’ opinion about reward/encouragement of performance. 25% agree that good performers are rewarded and poor performers encouraged, 25% somewhat agree about this statement while 50% disagree about the statement. Those who agree with the statement base their agreement on provided bonuses but do not mention any specific employee benefit as part of performance reward or part of retention management. However during the interview with managers, about *ways in which managers do reward and compensate workers and give them recognition*, the research found that the kind of reward and encouragement that exist in Magerwa is informal and is not provided with the intention of staff retention. But instead provided because it a culture of a longtime ago under the management of Belgians.

Managers say that they have had problem with rewarding individuals since this could make co-workers look sideways at each other, and there could be some jealousy. Therefore they decided to reward the work experience in form of “prime de fidélité” this is offered to a person after 10 years of service, and 13<sup>th</sup> month given to employees who have been in service at least for one year. Furthermore, they mention that if it happens to any staff to have a poor performance that person is transferred to another branch without being told the reasons of such transfer. One supervisor suggests that there should be staff performance appraisal each year and that everyone should be given feed-back about his/her performance so that each one knows where to improve and/or the transfer reasons.

Therefore all respondents have same opinion that performance appraisal system is still poor in Magerwa and suggest that managers should take it serious and consider it as an important factor

in staff motivation and retention. Mike 2002 suggests that managers need to appreciate staff every day and constantly work hard to keep staff on board.

In the analysis of this research, it is suggests that there is a gap in the way such rewards are communicated, since workers in operations department wish to have more valid reasons and explanations on what grounds a reward and/or training is given. This gap comes from the fact that operations activities are located far from headquarter offices and do not know what goes on in other department apart from their daily activities. Some of them are located at the country borders and hardly get full information on important issues of the organization thus the high need of more explanations on what is practiced in the organization. According to the operations coordinator, this would be more motivating because they will feel valued to the company and thus working in rural area will not frustrate them because they will be getting important information as if they were not up country.

Table 10: Employee career development

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Agree          | 2         | 25      | 28.6          | 28.6               |
| Somewhat agree | 5         | 62.5    | 71.4          | 100                |
| Total          | 7         | 87.5    | 100           |                    |
| System         | 1         | 12.5    |               |                    |
|                | 8         | 100     |               |                    |

**Source:** Primary data

The table above reflects the opinion of managers on employee career development, 62,5% somewhat agree with the career development opportunities given to employees, and 25% of respondents agreed that there is career development opportunity in Magerwa. But still these opportunities are not based on needs assessment because it is never carried out one manager said. For instance many employees mention that study tours to other countries like Tanzania (Dares salaam), Kenya (port of Mombasa) would increase their commitment. This research is in accordance with the theory of wheeler 2004 which states that many employees who leave organizations are simply looking for a bigger challenge or the opportunity to use a new skills or degree. The research suggest that if managers want to keep their star performers, they should

allow their employees try new things, give them opportunity to learn new skills and finally allow them use the new acquired knowledge.

- *How often do you give new challenge and opportunities to your employees? (training and bonuses)*

Regarding employee career development during the interview, one manager said that training and bonuses are given to employees but not as the way of retaining him/she. He thinks that there still inequality in training opportunities to employees and suggest that the system should be revised and give each and every employee equal opportunity and also be based on training needs. Another manager mentions that training is provided but staff at lower level are somehow ignored when planning for people who will be offered training opportunity. The researcher found that employees at lower level are only given on the job training on a new technology to be used in their daily activities. The researcher in accordance with Logan (2000) argues that giving employees the opportunity to learn, try new things, and grow as individuals are some of the most critical factors for retaining employees.

Table 11: Employee recognition

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Agree          | 2         | 25      | 25            | 25                 |
| Somewhat agree | 4         | 50      | 50            | 75                 |
| Disagree       | 2         | 25      | 25            | 100                |
| Total          | 8         | 100     | 100           |                    |

**Source:** Primary data

According to the table above, 50% of respondents somewhat agree that employees are recognized when they do perform well. 25% of respondents agree to be recognizing employees. Recognition system in Magerwa is still general. This means that employees are recognized in a general manner and when there is an increase in profit all employees are given an equal % on profit. For example, in the year 2009 all employees were given 100% of their monthly salary as a result of increase in profit. The 25% of respondents disagreeing with employee recognition base their disagreement on the fact that the kind of recognition available in Magerwa is not done with the intention to retain employees, and because it does not encourage people to work hard since it is not oriented to a specific group or department as a result of achieving great performance.

#### 4.2.4. Staff retention

Kaye and Jordan (2000) suggest that Human Resource should lead retention efforts by making managers the owners, responsible and accountable for keeping good employees. During the interview to managers on *how do managers work to keep their employees?* The researcher found that all respondents reported that this issue has been ignored and no one has yet taken the initiative to retain employees. One manager mention that by the time Magerwa was under government control, where the managing director was nominated by the Government, none of former manager has taken the responsibility to retain employees because of the thoughts that he won't stay there for more than two years. Furthermore, by this time departures were few and replacement plentiful. The same manager continues that today there born competing company and now they understand that is important to turn to their employees and keep them.

- *How can Magerwa be an employer of choice*

According to Michael Armstrong, 2001), the recruitment plan should include plans for attracting good candidates by ensuring that the organization will become an “employer of choice”.

Many of the respondents share the opinion that Magerwa can only be an employer of choice if there is equitable distribution of salary, an open communication and if it is able to provide feedback on performance. The researcher found these drivers such as communication, and individual recognition lacking in Magerwa but believe that there will be change overtime with the new management.

- *Do you ever conduct exit interview to investigate the likely reasons of leaving in Magerwa?*

All managers agreed with not conducting an exit interview. Since the existence of Magerwa, people enters as others leave, people had the impression that Magerwa is a well remunerating company and that it provides advantages as those provided by state companies and therefore want to work for it. This is because the public cannot differentiate Magerwa from Rwanda Revenue Authority which is a state company that provides all the advantages that an employee can expect from an employer. These are for example Medical insurance, transport for night shift workers, individual based bonuses, etc. For this reason of many people who would like to work for Magerwa, the later has never found the reason to conduct the exit interview.

### 4.3. Analysis of findings from workers

Findings from workers reflect their perceptions about organization culture, employee motivation and job satisfaction; and retention. In addition they also express what likely to be their reasons to leave their current job. To get this information, both questionnaire and interview were used.

#### 4.3.1. Organization culture

Findings from employees about the organization culture are reflected through the way they communicate, and how management is involved in their private life. Table (12) shows employee agreement and disagreement on whether communication in Magerwa is good and how organization values are communicated to them. Furthermore, employees were interviewed on *whether they receive adequate information about the company's goal and values; and how they feel their competencies are cared for.*

Table 12: Communication of company values

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 1         | 3.3     | 3.6           | 3.6                |
| Agree             | 3         | 10      | 10.7          | 14.3               |
| Somewhat Agree    | 18        | 60      | 64.3          | 78.6               |
| Disagree          | 4         | 13.3    | 14.3          | 92.9               |
| Strongly Disagree | 2         | 6.7     | 7.1           | 100                |
| Total             | 28        | 93.3    | 100           |                    |
| System            | 2         | 6.7     |               |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

60% of respondents somewhat agree with the communication of values and belief in Magerwa for instance, they still have doubt on the change in the new way of communicating in Magerwa. Many of the respondents mention that managers never communicate with them; and that; there is no communication between them. Managers inform their subordinate when there are new things that require implementation in the department and this is done in written form. They all mention

that this is still little. All respondents mention that the communication system is still minor and must be improved. Workers suggest that they should be kept informed on events taking place in the organization. For example if the director or head of department is absent for a meeting or training so that there is no difficulty if someone needs one of them or told the reason on transfer from one place to another.

Table 13: Management support to staff's private life and care

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 10        | 33.3    | 38.5          | 38.5               |
| Agree             | 6         | 20      | 23.1          | 61.5               |
| Somewhat Agree    | 5         | 16.7    | 19.2          | 80.8               |
| Agree             | 4         | 13.3    | 15.4          | 96.2               |
| Strongly Disagree | 1         | 3.3     | 3.8           | 100                |
| Total             | 26        | 86.7    | 100           |                    |
| System            | 4         | 13.3    |               |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

The table above (13) reflects the appreciation of workers on how the management is involved in their private life. The research found that employees are happy with this involvement in general. Almost respondents mention that support is both financial and none financial and this is somehow motivating but not sufficient to stay in the company and few of them stressed that that the non financial support is only provided by the colleagues whom the person in need work with. But still they appreciate that support from their workmate.

As far as staff care and management support is concerned, 38.5 %, 23%, and 19.2 % of respondents respectively strongly, agree and somewhat agree that management of Magerwa support employees in their private life (wedding ceremonies, new born events, etc), only few respondents show that the management does not support employees in their private life. But this is because they are new in the organization and haven't yet known about how the organization culture is like.

On one hand, employees with long-term experience in Magerwa mention that they enjoy the management involvement in their private lives. New hired, on the other hand, mention that

during their orientation phase, they were not provided with any information concerning the company instead presentation to the existing staff. Consequently, the researcher noticed that although Magerwa has a small number of employees, they do not know each other. She found that staff from one department may not know staff from other department.

#### 4.3.2. Motivation and job Satisfaction

During the interview, the respondents were also asked to list the most important factors influencing their job satisfaction and motivation at MAGERWA. According to them, the most their ranking is as follows: Job recognition, communication & feedback on their performance, opportunity to learn new skills and pay. In addition, respect, social activities and entertainment are mentioned factors that can boost their morale, help them know each other, enhance team spirit and increase their job satisfaction. Employees also shown that study tours to other companies with similar services would help them network with people other than their workmates. This would also make them aware of how other people perform similar activities.

Although people are motivated by different factors, for all respondents, job recognition, communication & feedback on their performance, respect, and opportunity to learn new skills were the biggest factors influencing motivation and job satisfaction in Magerwa. Kim et al, 1996 in their studies found that job satisfaction can lead to the employees' intention to leave or stay in the organization. This research found that employees are likely to leave if the above cited factors are not put in place or improved for the existing ones.

The table below shows their opinion on how they are satisfied with their job.

Table 14: Employees Satisfaction at MAGERWA

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly Agree | 6         | 20      | 20            | 20                 |
| Agree          | 12        | 40      | 40            | 60                 |
| Somewhat Agree | 8         | 26.7    | 26.7          | 86.7               |
| Disagree       | 4         | 13.3    | 13.3          | 100                |
| Total          | 30        | 100     | 100           |                    |

**Source:** Primary data

Asked whether they are satisfied with their job, MAGERWA employees 40% of the respondents confirmed that they are satisfied with their job while 20% stressed that they are strongly satisfied. However, 13% of the respondents are not satisfied. Satisfied employees mention that their satisfaction is the result of promotion received, and work benefits they are provided with. Those who are not satisfied with their job reported that their dissatisfaction is the result of not being able to use their core skills. However they mention that they stayed because they were receiving a good pay but think to leave as soon as they have a better job offer elsewhere. Furthermore, some of respondents suggest that managers should motivate them through job rotation so that their tasks are not routine and hence experience a different work environment and diverse job assignment this would boost their morale and increase their royalty. Employees, who work in up country offices, shown to be more dissatisfied with their work environment and when asked the reason behind their dissatisfaction they mention that they do not like their working environment because they have no access on internet, electricity and thus no room to develop their knowledge or update their existing ones. They also said that in that environment it is not possible for them to continue their studies to a higher level and that even if it was possible it would be difficult since they have to work 7/7days a week. The research found that it takes long to replace those workers and consequently these people are characterized by absenteeism to their task especially when they are trying to find a better job, the research found also that these people are likely to leave in the near future.

The above finding determines what is likely to be the company employees' turnover. Based on Kim et al, statement that job satisfaction can determine the employees' decision to stay or leave the organization, one would say that MAGERWA employees are relatively satisfied with their pay rather than their job tasks and consequently there is a small proportion of an employee who may leave because they are not satisfied with their salary. In regard with new challenges and opportunity given to employees, respondents from operations department mention that their job tasks are not challenging. They think their competencies are not appreciated and not taken care of. They mention not to have been given new challenges hence felt that Magerwa is not willing to invest in them and do not communicate what is expected from them. They also report that they are planning to leave for a better challenging job in the next two years and sometimes are characterized by absenteeism when looking for new jobs.

### 4.3.3. Employee reasons to leave the organization

Table 15, 16, 17 and 18 highlights employees' views about the reasons that would push them to leave the organization. The main reasons focused on in this study include supervisor relationship, personal plan, better job offer and unsatisfying job.

Table 15: Supervisor Relationship

|  |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-------------------|-----------|---------|---------------|--------------------|
|  | Strongly Agree    | 3         | 10.0    | 10.0          | 10.0               |
|  | Agree             | 6         | 20.0    | 20.0          | 30.0               |
|  | Somewhat Agree    | 7         | 23.3    | 23.3          | 53.3               |
|  | Disagree          | 8         | 26.7    | 26.7          | 80.0               |
|  | Strongly Disagree | 6         | 20.0    | 20.0          | 100.0              |
|  | Total             | 30        | 100.0   | 100.0         |                    |

Source: Primary data

*The supervisor relationship* consists of relationship between employees and managers/supervisors and the manner in which they communicate to their subordinates (Taven P156)<sup>4</sup>.

Individual who dislike and think negatively about their supervisor are less willing to communicate or have motivation to work, where as individuals who like and think positively for their supervisor are more likely to communicate and are satisfied with their job and work environment. In this study, 26.7% of the respondents proved that they would not leave the organization if they have poor relationship with their supervisors. Whereas 10 and 20% respectively strongly agree and agree that they would leave because of their poor relationship with their respective supervisors. Those who may not leave the organization because of poor relationship with managers, base their position to the organization culture which encourages

<sup>4</sup> Abraham (2007)

employees to seek for justice from the next hierarchy level. On the other hand, those who would leave the organization because of poor relationship are those ones who do not generally have the next hierarchy level after their direct supervisor.

Table 16: Personal plan

|  |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-------------------|-----------|---------|---------------|--------------------|
|  | Strongly Agree    | 8         | 26.7    | 26.7          | 26.7               |
|  | Agree             | 8         | 26.7    | 26.7          | 53.3               |
|  | Somewhat Agree    | 5         | 16.7    | 16.7          | 70.0               |
|  | Disagree          | 4         | 13.3    | 13.3          | 83.3               |
|  | Strongly Disagree | 5         | 16.7    | 16.7          | 100.0              |
|  | Total             | 30        | 100.0   | 100.0         |                    |

**Source:** Primary data

*Personal plan* would be another important factor that can justify high employees' turnover. Table 16, shows that more than 50% (26.7 strongly agree and agree) that they can leave the organization following their personal plans. The personal plan cited here is one's own business or education program abroad. They mention that relocation of their partners would not make them leave their job since some of them used to work from one of the country boarder where Magerwa has branches. In other words, they are used to work far from their families and thus find that this cannot be the reason to leave their job.

Table 17: Better Job Offer elsewhere

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 13        | 43.3    | 44.8          | 44.8               |
| Agree             | 4         | 13.3    | 13.8          | 58.6               |
| Somewhat Agree    | 10        | 33.3    | 34.5          | 93.1               |
| Disagree          | 1         | 3.3     | 3.4           | 96.6               |
| Strongly Disagree | 1         | 3.3     | 3.4           | 100                |
| Total             | 29        | 96.7    | 100           |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

**Better job offer** is the most important influencing factor that can motivates employees leaving their current job. Table 17, shows that, almost 60% strongly agree or agree that they would leave if they get a better job offer elsewhere. During the interview, the researcher found that respondents in a productive age (young workers) have a constant need to grow and develop their career and thus they are likely to leave in the next two years.

Table 18: Unsatisfying Job

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 3         | 10      | 10            | 10                 |
| Agree             | 6         | 20      | 20            | 30                 |
| Somewhat Agree    | 12        | 40      | 40            | 70                 |
| Disagree          | 7         | 23.3    | 23.3          | 93.3               |
| Strongly Disagree | 2         | 6.7     | 6.7           | 100                |
| Total             | 30        | 100     | 100           |                    |

**Source:** Primary data

**Unsatisfying job** Mitchell and his colleagues (2001) argue that people who are satisfied with their job would stay, while those who aren't would leave. Given the same level of dissatisfaction, people with more alternatives will be more likely to leave than those with fewer alternatives. Table 18, shows the respondents views about whether they would or not leave because of unsatisfying job. 30% of the respondents think they would leave an unsatisfying job whereas

40% of respondents somewhat agree that they would leave an unsatisfying job. Only 30% of the respondents disagree or strongly disagree that they can leave an unsatisfying job. In the interview with respondents, the researcher finds that those who would not leave are constrained with their age and/or educational level which limit their job alternatives. Even if the working environment in Magerwa is somehow satisfactory the respondents from the operations department mention that the level of satisfaction is a result of other factors than their job content. They mention that with their job content they are not able to use their core skills and emphasize that managers should rotate workers in different department at least every year.

#### 4.3.4. Employee motivation

According to theory, hygiene factors (salary, supervision, organizational structure and environment) in themselves do not create satisfaction or increase motivation, but the absence of them will act de-motivating and cause dissatisfaction. Many of the respondents do mention salary as a motivator, but most say they want a fair salary for the job they perform. The motivation factors, such as recognition or career opportunities are in much higher focus among the respondents. This is also supported by theory which states fair benefits and pay is the cornerstone of a successful company that recruits and retains committed workers. However, Mitchell et al (2001) agree that retention cannot be accomplished purely through money but rather on-the-job and off-the-job factors must be considered when developing a retention plan.

Table 19: Pay and Benefits

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 5         | 16.7    | 17.9          | 17.9               |
| Agree             | 12        | 40      | 42.9          | 60.7               |
| Somewhat Agree    | 8         | 26.7    | 28.6          | 89.3               |
| Disagree          | 2         | 6.7     | 7.1           | 96.4               |
| Strongly Disagree | 1         | 3.3     | 3.6           | 100                |
| Total             | 28        | 93.3    | 100           |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

According to Suzan (2009), in her article *Work is about Money*, said that whatever personal reasons for working, almost every one works for money. She also stresses that fair benefits and pay are the cornerstone of a successful company that recruits and retain committed workers. Without the fair, living wage, organizations risk losing their best people to better paying employer.

In this study (table 19), it has been realized that most of MAGERWA employees (60%) are satisfied with their pay and benefits. Suzan argues that pay and benefits are the corner stone for staying in an organization. Managers have to revise the existing salary system and benefit programs if they are to keep the best employees because now there has born competing organizations that could attract them with a better pay. During the interview with lower level workers, many of the respondents mention that there still an unequal distribution of salary since the direct supervisor doubles the salary of his/her subordinate. They suggest that people should report to their next hierarchy supervisor. In other words, they suggest that the organization structure should be revised.

From the table above, 10% of the employees are not satisfied with their pay and benefits which means that if they get a better pay elsewhere they will leave the company.

Asked whether they are satisfied with the benefits given to them during the interview, employees do mention 13<sup>th</sup> month, profit sharing referred to as “prime de bilan”, fidelity bonus referred to as “prime de fidélité” flexible working hours and transport after work as appreciated employee benefits. However, although they appreciate these benefits, they still need transport after work and working hours to be revised and match with that of partner organizations (Rwanda Bureau of Standards & Rwanda Revenue Authority). They also suggest increase in salary.

Table 20: Training and development

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 2         | 6.7     | 6.9           | 6.9                |
| Somewhat Agree    | 7         | 23.3    | 24.1          | 31                 |
| Disagree          | 16        | 53.3    | 55.2          | 86.2               |
| Strongly Disagree | 4         | 13.3    | 13.8          | 100                |
| Total             | 29        | 96.7    | 100           |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

In accordance with Logan (2000), giving employees the opportunity to learn, try new things, and grow as individuals are some of the most critical factors for retaining and motivating employees. Suzan (2009) argues that training and education, in what the employees is interested in learning, is one of the key factors in retention and motivation. From table 20, 28.6% of the respondents agree to be motivated with training provided with them. While the motivation of 40 % of employee does not depend on training provided. 26.7% of employees somewhat agree to be motivated with the training. During the interview with staff, the researcher found that staff training is only provided with supervisors and top managers. Since Magerwa has a new Director, most of employee state that this inequity is linked to the kind of former organization management, which they judge not taking care of them. Employees from operations department said they are never given off-the- job training. But with the new management, they have seen changes and hope that there will be improvement in this area otherwise they suggest that training should be given based on equal opportunity and needs assessment. Based on Mitchell et al (2001)'s theory that on-the-job and off-the-job factors must be considered when developing a retention plan, this researcher is in accordance with this theory since retention cannot be accomplished only through money. However, many respondents put their focus more on off- the-job factors as giving more satisfaction because it is exercised in an environment different from the one in which they work.

Table 21: Good and easy technology

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 5         | 16.7    | 17.9          | 17.9               |
| Agree             | 12        | 40      | 42.9          | 60.7               |
| Somewhat Agree    | 7         | 23.3    | 25            | 85.7               |
| Strongly Disagree | 4         | 13.3    | 14.3          | 100                |
| Total             | 28        | 93.3    | 100           |                    |

**Source:** Primary data

The table above (21) shows that 60, 7% agree to be provided with a good and easy technology to help them perform their tasks. Furthermore, 14% do not agree with a good technology. The 14% of respondents that disagree with easy technology includes staff who were recently transferred from boarder post to headquarter and it took long for them to learn the software used in performing their daily activities. This is because staff working upcountry do not use computers instead operates manually.

Table 22: Comfortable and Ergonomic furniture

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 2         | 6.7     | 7.4           | 7.4                |
| Agree             | 8         | 26.7    | 29.6          | 37                 |
| Somewhat Agree    | 8         | 26.7    | 29.6          | 66.7               |
| Strongly Disagree | 9         | 30      | 33.3          | 100                |
| Total             | 27        | 90      | 100           |                    |
| System            | 3         | 10      |               |                    |
|                   | 30        | 100     |               |                    |

**Source:** Primary data

The table 22 shows the perception of employees about the office furniture. Only 37% of respondents agree to have comfortable and ergonomic furniture in their offices. This percentage represents staff working in department other that Operations department where furniture in good conditions is found. On the other hand, almost 30% and 30% somewhat agree and disagree

respectively with the existence of comfortable furniture. This increases their job dissatisfaction as they already had in their mind that they are not taken care of. Consequently they are envious to their colleagues in other department and feel to be outside the system of the company. This diminishes their morale and hence their commitment to the organization's mission.

#### 4.4. Analysis of findings from leavers

This section presents leavers perception expectations and reasons that push them to leave the company of Magerwa. The table below shows their respective department

Table 23: Respondents Department

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Corporate Department | 7         | 31.8    | 31.8          | 31.8               |
| Finance Department   | 5         | 22.7    | 22.7          | 54.5               |
| Operation Department | 10        | 45.5    | 45.5          | 100                |
| Total                | 22        | 100     | 100           |                    |

**Source:** Primary data

The table above displays respondents' different departments occupied in Magerwa. It was found that a big percentage, of leavers, is observed in both Operations and Corporate department which means that a high employee turnover is experienced in these two departments, 45.5 % and 31.8% respectively. Furthermore, only three departments are displayed in this table. This is because the Business department is new and is occupied its first staff, thus no leavers from therein; and no respondent from the general directorate department found.

Table 24: Respondents Experience

|                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|--------------------|
| Less than 5 Years  | 4         | 18.2    | 18.2          | 18.2               |
| 5- 10 Years        | 4         | 18.2    | 18.2          | 36.4               |
| 10- 15 Years       | 8         | 36.4    | 36.4          | 72.7               |
| 15- 20 Years       | 3         | 13.6    | 13.6          | 86.4               |
| 20 Years and Above | 3         | 13.6    | 13.6          | 100                |
| Total              | 22        | 100     | 100           |                    |

**Source:** Primary data

This table shows the respondents experience in Magerwa. From the above table, it is observed that although they left, employees have worked for Magerwa for more than 10 years. Only 18.2% of leavers are below 10 and/or 5years experience. This is due to the fact that these were young University graduate recruited after the company restructuring. They all share the opinion that they went for new challenging jobs and more remunerating companies. It is found in this research that Magerwa had a natural turnover before the restructuring of 2005 because almost all employees were not university qualified and hence few job alternatives.

Table 25: Expectation of good Working Conditions

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly Agree | 14        | 63.6    | 63.6          | 63.6               |
| Somewhat Agree | 4         | 18.2    | 18.2          | 81.8               |
| Disagree       | 4         | 18.2    | 18.2          | 100                |
| Total          | 22        | 100     | 100           |                    |

**Source:** Primary data

The table above shows that almost 64% of respondents strongly agree to have come to Magerwa with the expectation of good working conditions; while 18.2% and 18.2% of respondents somewhat agree or disagree to come with other expectations than good working conditions.

Table 26: Expectation of a good pay

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly Agree | 13        | 59.1    | 59.1          | 59.1               |
| Somewhat Agree | 3         | 13.6    | 13.6          | 72.7               |
| Agree          | 5         | 22.7    | 22.7          | 95.5               |
| 11             | 1         | 4.5     | 4.5           | 100                |
| Total          | 22        | 100     | 100           |                    |

**Source:** Primary data

According to Suzan (2009) in her article “Work is about Money”, she points out that people work for love; others for personal fulfillment. Others like to accomplish goals and feel as if they are contributing to something larger than themselves, something important. She suggests that whatever one’s personal reasons for working, almost every one works for money. She also stresses that fair benefits and pay are the cornerstone of a successful company that recruits and retain committed workers. According to this table above, more than 50% strongly agree to have come with the expectation of good pay. The researcher also agrees with Souzan that without the fair, living wage, organizations risk losing their best people to better paying employer. The table also shows that none of respondents disagreed with this expectation of good pay.

Table 27: Expectation of a Challenging Nature of Work

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 12        | 54.5    | 54.5          | 54.5               |
| Somewhat Agree    | 1         | 4.5     | 4.5           | 59.1               |
| Agree             | 2         | 9.1     | 9.1           | 68.2               |
| Somewhat Disagree | 6         | 27.3    | 27.3          | 95.5               |
| Strongly Disagree | 1         | 4.5     | 4.5           | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

Like staff currently in service, a challenging nature of work is the expectation of almost everyone in the organization. It seen from the table above that more than 50 % strongly agrees or agree to have

come to Magerwa with the expectation a challenging nature of work while only 31.8% somewhat or strongly disagree to come with that expectation.

Logan (2000) argues that giving employees the opportunity to learn, try new things, and grow as individuals are some of the most critical factors for retaining employees.

Table 28: Expectations of financial and non financial Benefits

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 7         | 31.8    | 31.8          | 31.8               |
| Somewhat Agree    | 8         | 36.4    | 36.4          | 68.2               |
| Agree             | 3         | 13.6    | 13.6          | 81.8               |
| Somewhat Disagree | 4         | 18.2    | 18.2          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

Suzan stresses that fair benefits and pay are the cornerstone of a successful company that recruits and retain committed workers. From the table above, the researcher realized that many people were expecting some benefits in addition to their monthly salary. Many companies, today, are aware that competition has taken another step and labour market became tight in such way that the latter is demanding more than before therefore they found that employees are looking for more than monthly remuneration be it financial or non financial.

Table 29: Expectations of Career Advancement Opportunity

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 8         | 36.4    | 38.1          | 38.1               |
| Somewhat Agree    | 1         | 4.5     | 4.8           | 42.9               |
| Agree             | 2         | 9.1     | 9.5           | 52.4               |
| Somewhat Disagree | 6         | 27.3    | 28.6          | 81                 |
| Strongly Disagree | 4         | 18.2    | 19            | 100                |
| Total             | 21        | 95.5    | 100           |                    |

**Source:** Primary data

More than 50% of the respondents come in Magerwa with same expectations of good working conditions, good pay, challenging nature of work, see table 25, 26, and 27; while less than 40% were also expecting financial/non financial benefits (see table 28), and career advancement (see table 29) but few of them show to have met their expectations.

Table 30: Benefits received compared with the expectations

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 3         | 13.6    | 13.6          | 13.6               |
| Somewhat Agree    | 10        | 45.5    | 45.5          | 59.1               |
| Agree             | 5         | 22.7    | 22.7          | 81.8               |
| Somewhat Disagree | 4         | 18.2    | 18.2          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

From the table above, it is observed that, in general, many people were satisfied with the benefits offered in Magerwa. 45.5% somewhat agree to met their expectations because some benefits are limited to some staff and not to others. These are like transport means, communication fees, houses etc. the 13.6% represents those people who benefited from all the benefits offered by Magerwa. And 18.2 percent represent that staffs that never accept to have benefited from the benefits offered or that for which their expectations were not met.

#### 4.4.1. Respondents' reasons to leave the company

Table 31: Leave due to Poor Work Environment

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 1         | 4.5     | 4.5           | 4.5                |
| Somewhat Agree    | 1         | 4.5     | 4.5           | 9.1                |
| Somewhat Disagree | 6         | 27.3    | 27.3          | 36.4               |
| Strongly Disagree | 14        | 63.6    | 63.6          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

The table above shows that 63.6% strongly disagree to have left because of the work environment, 27.3% somewhat disagree to leave due to the work environment. However the researcher found that the working conditions in Magerwa were good in general. This means that respondents of this section did not give much importance to what makes the work environment, only 9% show to have been affected by the work environment.

Table 32: Leave due to Poor pay and Benefits

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 4         | 18.2    | 18.2          | 18.2               |
| Somewhat Agree    | 1         | 4.5     | 4.5           | 22.7               |
| Agree             | 3         | 13.6    | 13.6          | 36.4               |
| Somewhat Disagree | 1         | 4.5     | 4.5           | 40.9               |
| Strongly Disagree | 13        | 59.1    | 59.1          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

From the table 32, it is seen that 36.4% agree to have left because of poor pay and benefits. The researcher noticed that this percentage of respondents was made of young graduates who expected a higher remuneration and than what they were getting by the time they were working

for Magerwa. More than 50% disagree to have left because of poor pay and benefits. This staff was constrained by their level of education for which they had very few job alternatives.

Table 33: Leave at Retirement Age

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 7         | 31.8    | 31.8          | 31.8               |
| Strongly Disagree | 15        | 68.2    | 68.2          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

From the table above, only 31.8 % left at their retirement age. This percentage shows the staff who worked for Magerwa for a longtime. One can also say that these people were committed to the organization. 68.2% left because of other reasons than retirement age.

Table 34: Leave following a Personal Plan

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 10        | 45.5    | 45.5          | 45.5               |
| Strongly Disagree | 12        | 54.5    | 54.5          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

The table 34 shows that 45.5% strongly agree to have left because of personal plan while 54.5% left because of other reasons. The researcher found that people have stayed long in Magerwa because they were completing their university studies and planned to leave for their own affairs after their studies. This motive of taking their own business came from the fact that they had worked with many business people and therefore they have already learnt a lot in this field. Another reason they advanced was that of their age. They were not yet at their retirement age and not in the age of employment. So they went for their own business. Staff who disagree to have left because of personal plan also reported that they did not feel fitting in the organizational culture. These were made of people who were transferred to border post and by the time they were recruited where they had to work 7/7 days, 16hours per day and manually

performing their duties. Therefore they had bad impression on the company of Magerwa and the work environment.

Table 35: Leave for a Better Job offer

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly Agree    | 5         | 22.7    | 22.7          | 22.7               |
| Strongly Disagree | 17        | 77.3    | 77.3          | 100                |
| Total             | 22        | 100     | 100           |                    |

**Source:** Primary data

Tables from 31 to 35 display the reasons advanced by respondents about what made each of them to leave the company. Table 32 shows that less people leave because of money. But looking at what is displayed by other tables, it is observed that many people left following their personal plan (45.5%), at their retirement age (almost 32%) and for a better job offer (22.7%). The researcher found that, in general, almost all leavers met their expectations and only few people were not. This is justified by the proportion seen from different tables above. That is, 59.1% left due to other reasons than poor pay/ benefits while 77.1 % left not because they got a better job offer elsewhere.

Regardless of what made people leave the company, interesting work, employee remuneration, financial and non financial compensation appear to be important links to higher motivation in an organization. James R. Lindner, in his research and extension associate, mention that job enlargement and job enrichment can be used to make work more interesting by increasing the number and variety of activities and adding higher level of responsibilities to a job and then providing monetary compensation to employee for accepting this responsibility.

Table 36: Recommendation about Retention programmes.

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly Agree | 13        | 59.1    | 59.1          | 59.1               |
| Somewhat Agree | 1         | 4.5     | 4.5           | 63.6               |
| Agree          | 8         | 36.4    | 36.4          | 100                |
| Total          | 22        | 100     | 100           |                    |

**Source:** Primary data

This table shows respondent's opinion on Magerwa retention programmes. 59.1% of the respondents recommend Magerwa to improve the existing retention programmes. The researcher realized from this table that almost all respondents agree with the idea of changing and/or improving the existing retention programmes if any, and find new strategies to match with the completion and current labor market so as to take the advantage in retaining its star performers.

## **CHAPTER 5. CONCLUSION AND RECOMMENDATION**

### **5.1. Conclusion**

The researcher's findings show that some gaps exist but found also that managers appear to be aware of the potential of such gaps. One of the major gaps is that of communication and feedback and the opportunity to learn new things. Communication and feedback, job recognition, and career development opportunity were the most important factors for motivation and job satisfaction among lower level employees especially those from operations department. The lack of such factors affected their motivation and satisfaction negatively and consequently created a gap.

A structured meeting between managers and employees is the only ways for management to communicate desired behavior to employees. The analysis shows that more workers want more feedback and an open communication since all respondents share same opinion that communication and feedback are important for their motivation and job satisfaction. The researcher's analysis shows that the lack of information has caused ambiguity and dissatisfaction among workers in operations department especially those working up country. The researcher also found that many if not all, managers do communicate informally to their subordinates.

The salary system at Magerwa is based on the position rather than one's degree. The salary increase or promotions are not based on performance appraisal. The salary increase is on a policy that salary is increased after 3 years service to all employees, while promotion is based on factors other than those known to employees. Consequently, employees are not motivated to work hard, because they know that they won't receive individual bonus or any promotion.

This was found to entail a poor performance, and negative feeling about the work and the management. Employees say that they are only rewarded as all and not individually, as result this do not push them to work hard or achieve higher results. Furthermore, the researcher found that the employee recognition and reward system that exist in Magerwa does not encourage staff engagement since it is given to everyone as if they contributed equally to the organization achieved performance and thus this discourages the high performers. The researcher found that

Motivation and job satisfaction would influence employee's decision to stay or leave because the study found that employees have stayed for more than 10 years only because of the salary. Then if other factors like communication, job recognition, opportunity to learn, etc, are taken into account, the researcher believes staffs would be more motivated and more satisfied and thus more committed to the organization. This research, however, suggests that in order to improve the staff retention and motivation in Magerwa, there should be an open communication, feedback communication; equal opportunity to acquire new skills, and a new & equitable salary distribution system based on individual qualification, group/ department oriented reward system so as to make Magerwa more attractive and more motivating and thus an Employer of Choice.

In addition, the researcher agrees with Michael (2001) that recruitment plan should include plans for good candidates and with Mike (2003) that investing in personnel from the start builds and maintains competent staffs.

## **5.2 Recommendations**

- Magerwa is strongly recommended to improve the retention programmes by making communication more open, making job recognition individually oriented or department oriented.
- It is recommended that Magerwa should assess what motivates its employees and design a motivating program based on their needs.
- Magerwa should design a program of sponsoring higher studies for its staff
- It is recommended that top managers should be trained on the importance in retaining employees in an organization and be given the responsibility of retaining their subordinate.
- Retention programmes in Magerwa should be based on on/off the job factors and should propose actions which focus on each of the areas in which lack of commitment and dissatisfaction. That is communication, job recognition and better pay strategy.
- It is strongly recommended that there should be a performance appraisal program and feedback should be communicated to everyone so that each of employees may know where to ameliorate his/her performance. Both positive and negative feedback should be

delivered in a constructive way in order to build positive working relationship, trust and effective teamwork.

- It is strongly recommended to Magerwa to redesign its salary distribution program and make it more equitable.
- Magerwa should give new job assignments through job rotations and grade promotion to employees from operations department as they never see any advancement in their existing skills. This would encourage them to stay and enjoy their work.
- Employees should be given equal opportunities to attend seminars and training that align with each employee's needs and desire for future growth.

### **5.3 Future Research**

One of the major gaps found in this research is that of communication and feedback and the opportunity to learn new things. The lack of these factors has affected staff motivation and job satisfaction negatively. The researcher believes that when the new Management is in place by the end of March 2011, for all staff, communication will run smoothly and everyone will feel fitting in the organizational culture.

However, it would be interesting and worthwhile to conduct another study after four or five years from now on Job satisfaction and/or Motivation of staff of Magerwa to find out at what extent staff of Magerwa are motivated or satisfied with their job tasks comparing to the current situation. This study would give a clear picture of how workers perceive retention programmes, their level of motivation and job satisfaction.

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## **APPENDIX**

### **1. Questionnaire to Managers**

#### **Part I. General information**

##### **1. In which department do you belong to?**

1. Corporate service department
2. Finance department
3. Business development department
4. Operations department
5. General directorate

##### **2. Experience: How long have you worked for Magerwa?**

1. Less than 5 year
2. 5 - 10 years
3. 10 - 15years
4. 15 - 20 years
5. 20 years and above

| A. Mark with an X the box to select your level of disagreement or agreement with this statement:                       | Strongly agree | agree | Somewhat Agree | Disagree | Strongly disagree |
|--|----------------|-------|----------------|----------|-------------------|
| 3. MAGERWA has a retention plan in place   |                |       |                |          |                   |
| 4. Communication between staff and managers is open  |                |       |                |          |                   |
| 5. New employees at MAGERWA are provided with Orientation session to initiate them to the company practices and values |                |       |                |          |                   |
| 6. The supervisory relationship with employees is good   |                |       |                |          |                   |
| 7. Employees at MAGERWA are continuously evaluated and feedback about their performance communicated                   |                |       |                |          |                   |
| 8. Good performers in MAGERWA are rewarded and poor performers are encouraged.   |                |       |                |          |                   |
| 9. The management of MAGERWA does also motivate its employees through recognition practices                            |                |       |                |          |                   |
| 10. As part of their carrier development, MAGERWA provides on job and off job training to its staff                    |                |       |                |          |                   |

*Thank you for your time to answer this questionnaire*

## **Interview guide to Managers**

- **Retention management**

1. What kind of history does Magerwa has in retention management and in voluntary turnover?
2. What kind of problems does Magerwa face with retention management?
3. How can Magerwa be an employer of choice regarding retention management?

- **Organization culture**

4. Do your employees feel cared for? Have the organization's managers created a sense of commitment among the staff by showing they care?
5. How often do you communicate with employees?
6. How often do you use feedback to make employee know when they are doing a good job and know what is expected from them?
7. What roles do supervisors/managers play in creating a sense of commitment?

- **Motivation and job satisfaction**

8. What do you believe are the most important strategies/programs to motivate and retain employees in Magerwa?
9. In what ways do you reward and recognize your workers?
10. How often do you give challenges and opportunities to your employees? (training, bonuses, etc)

- **Staff retention**

11. How do managers work to keep their employees?
12. Do you ever conduct exit interview to investigate the likely reasons to leave job in Magerwa?

## **1. Questionnaire to workers**

Please circle the appropriate answer that best expresses your opinion

### **Part I. General information**

#### **1. In which department were you in Magerwa?**

1. Corporate service department
2. Finance department
3. Business development department
4. Operations department
5. General directorate

#### **2. Experience: How long have you worked for Magerwa?**

1. Less than 5 year
2. 5 - 10 years
3. 10 - 15years
4. 15 - 20 years
5. 20 years and above

| <b>Mark with an X the box to select your level of disagreement or agreement with this statement</b>   | <b>Strongly agree</b> | <b>Agree</b> | <b>Somewhat disagree</b> | <b>Disagree</b> | <b>Strongly disagree</b> |
|---|-----------------------|--------------|--------------------------|-----------------|--------------------------|
| 3. You are satisfied with your job  |                       |              |                          |                 |                          |
| 4. Your decision to leave would be influenced by supervisor relationship  |                       |              |                          |                 |                          |
| 5. You would leave your current job following a personal plan   |                       |              |                          |                 |                          |
| 6. You would leave your current job because you have a better job offer elsewhere   |                       |              |                          |                 |                          |
| 7. You would leave an unsatisfying job  |                       |              |                          |                 |                          |
| <b>Mark with an X the box to select your level of disagreement or agreement with this statement to indicate what motivates and maintains you in Magerwa</b> | <b>Strongly agree</b> | <b>Agree</b> | <b>Somewhat disagree</b> | <b>Disagree</b> | <b>Strongly disagree</b> |
| 8. Your motivation and commitment in Magerwa depend on good pay and benefits  |                       |              |                          |                 |                          |
| 9. Your motivation and commitment in Magerwa depend on training received  |                       |              |                          |                 |                          |
| 10. Your motivation and commitment in Magerwa depend on involvement of Magerwa management in your private life (family support)                             |                       |              |                          |                 |                          |
| 11. Your motivation and commitment in Magerwa depend on communication system of the company   |                       |              |                          |                 |                          |
| 12. Your motivation and commitment in Magerwa depend on good and easy technology  |                       |              |                          |                 |                          |
| 13. Your motivation and commitment in Magerwa depend on comfortable and ergonomic furniture   |                       |              |                          |                 |                          |

*Thank you for your time and cooperation*

## Interview guide to workers

- **Organization culture**

1. Do you receive adequate information about the company's goals and values?
2. Do you feel that the company appreciate and takes care of your competencies

- **Motivation and job satisfaction**

3. Are you satisfied with your job?
4. What motivates you in your job?
5. What is according to the most important factor influencing motivation and job satisfaction in Magerwa?
6. Are you given new challenges and opportunity in your job? What kind?
7. What is your organization doing to foster a sense of continuous learning and development at all levels?
8. How often do you get feedback on your performance?

- **Retention**

9. What do you think Magerwa should do to retain its star performers?
10. Do you think anything could be done differently?

## QUESTIONNAIRE TO MAGERWA LEAVERS

I am Claudine KAREKEZI, a Student at the Maastricht School of Management Netherlands, Outreach Program with SFB. I am carrying out this research for the partial fulfillment of the requirement for Master's degree optention of a Master's Degree (MBA).

The aim of this research is to find out how MAGERWA could improve staff retention and motivation. Answers to the following questionnaire will help me answering my research questions and the information provided will remain confidential.

Please circle the appropriate answer that best expresses your opinion

### **Part I. General information**

#### **11. In which department were you in Magerwa?**

6. Corporate service department
7. Finance department
8. Business development department
9. Operations department
10. General directorate

#### **12. Experience: How long have you worked for Magerwa?**

6. Less than 5 year
7. 5 - 10 years
8. 10 - 15years
9. 15 - 20 years
10. 20 years and above

| B. Mark with an X the box to select your level of disagreement or agreement with this statement:                                      | Strongly agree | Somewhat agree | Agree | Somewhat disagree | Strongly disagree |
|---|----------------|----------------|-------|-------------------|-------------------|
| 1. You came to Magerwa with the expectations of Good working conditions   |                |                |       |                   |                   |
| 2. You came to Magerwa with the expectations good pay and financial incentives  |                |                |       |                   |                   |
| 3. You came to Magerwa with the expectations Challenging nature of work   |                |                |       |                   |                   |
| 4. You came to Magerwa with the expectations of Benefits offered: (transport, communication, paid annual leave, medical insurance...) |                |                |       |                   |                   |
| 5. You came to Magerwa with the expectations of Career advancement  |                |                |       |                   |                   |
| 6. Your expectations of Salary were met   |                |                |       |                   |                   |
| 7. Your expectations of Challenging nature of work were met   |                |                |       |                   |                   |
| 8. Your expectations of Benefits offered in Magerwa were met  |                |                |       |                   |                   |
| 9. Your decision to leave was influenced by the poor working environment of Magerwa   |                |                |       |                   |                   |
| 10. Your decision to leave was influenced by poor pay and benefits  |                |                |       |                   |                   |
| 11. You left Magerwa at your retirement age   |                |                |       |                   |                   |
| 12. You left Magerwa following a your personal career plan  |                |                |       |                   |                   |
| 13. You left Magerwa because you had a better job offer else where  |                |                |       |                   |                   |
| 14. You would recommend Magerwa to maintain the existing employee retention programs.   |                |                |       |                   |                   |

*Thank you for your time to answer this questionnaire*

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