FACTORS RELATING TO THE RETENTION OF SKILLED EMPLOYEES IN AN INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) COMPANY

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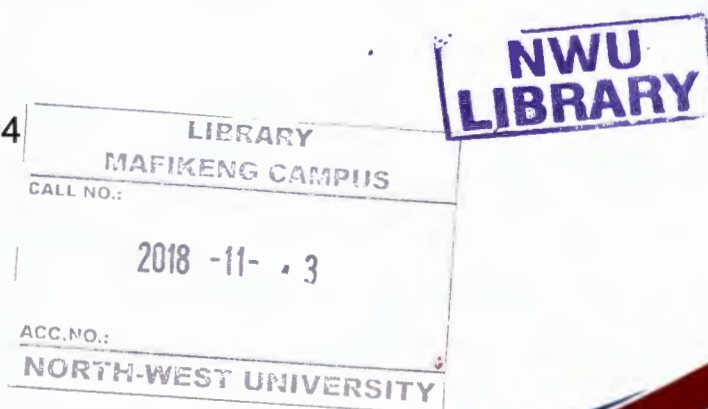
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DECLARATION

I, Katlego Kgothatso Tlholoe, declare that **FACTORS RELATING TO THE RETENTION OF SKILLED EMPLOYEES IN AN INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) COMPANY** is my original work and has not been submitted at any university for the award of a degree. All the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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Katlego Kgothatso Tlholoe

ACKNOWLEDGEMENTS

DEDICATION

This project is dedicated to my late sister, Maseame Tlholoe, and Aunts Botshelo Mathebula and Kgomotsabofelo Sepheka, for believing that I can achieve everything I have always wanted to do.

ABSTRACT

The present study is an analysis of retaining skilled and talented employees. It examines staff turnover rate and retention strategies that companies could use in order for them to have good employee satisfaction. The reason for conducting this study is that many companies battle to retain skilled and talented employees as they do not know the reasons behind the employees leaving the organisation. The present study examines staff turnover rate and retention for a period of two years in one selected ICT Company in South Africa.

In order to attain the objectives of the study, an initial literature review was undertaken on the general concept of retaining skilled and talented employees, staff turnover, the costs associated with staff turnover, the reasons for employees leaving an organisation and the reasons for employees choosing to remain with an organisation. A second tier of literature review was done on the impact of employee retention, as well as the responsibility for managing the retention of skilled and talented employees. This was done to serve as a basis for recommending an effective retention strategy for the ICT Company which had difficulties with high rates of staff turnover. In addition, the literature review was used to develop a questionnaire that had three (3) sections that looked at different reasons for high staff turnover. This questionnaire was administered to employees of the ICT Company.

The data extracted from the questionnaire revealed that there is a high staff turnover rate in the company, for which there are three common reasons. The three are salaries, a desire to take on a new challenge and a lack of opportunity for advancement. A consideration of these reasons forms the foundation for recommending an effective retention strategy suitable to the ICT Company. The data collected could guide the organisation on implementing an improved system beneficial for all the employees in the future. Lastly, recommendations are given on an appropriate retention strategy that is appropriate for the selected ICT Company.

Key concepts: Information and Communication Technology Company (ICT), retention of skilled and talented employees, Staff turnover rate, employee satisfaction, effective retention strategies.

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CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND

The present study focuses on staff retention of skilled and talented employees in an Information and Communication Technology industry (ICT) in South Africa. According to Tolica, Sevrani and Gorica (2015: 1), "information and communication technology is a more specific term that stresses the role of unified communication and the integration of telecommunications: computers, telephone lines and wireless signals, which give users an opportunity to access, store, transmit, and manipulate information."

The decreasing rate of staff retention in South African organisations has a negative impact on the economy and organisational succession plan. According to Phillips and Edwards (2009), staff retention is a major problem and most measuring tools used to assist in increasing the rate of staff retention fail because they are not specific enough. Phillips and Edwards (2009), developed an approach that could assist companies in handling the low rate of employee retention. It is called the Return on Investment (ROI) approach. It is seen as an approach which could assist organisations to increase staff retention and avoid common drawbacks and develop a strategy to deal effectively with staff retention problems.

This ROI strategy is intended to promote staff participation on individual assessments, thus creating a vibrant working environment. The strategy could also provide measurable results that would be specific to individual employee needs and issues. Return on Investment approach could position the organisation in a preventative mode and maintain appropriate levels of staffing and risk geared at turnover. According to Berger and Berger (2011), properly implemented talent management contributes towards profitability and staff satisfaction in an organisation. Talent management strategy could be used to retain skilled and talented employees. The following should be applied: "Development and application of human resource strategies, applying talent management system and assessment tools to ascertain success." Similarly, Caplan (2011) believes that talent management strategies, practices, and processes are aspects that help create high performance in an organisation and organisations are likely to prosper in a rapidly changing business environment. Talent management gives an organisation the opportunity to identify, develop and promote their best employees.

Caplan (2011) further highlights that talent management gives the company an opportunity to empower employees and a platform to learn from their experiences in the workplace, which gives employees a chance to look at their long term developmental capabilities and thus leading to positive results towards retaining skilled and talented employees and even good results to succession planning in the organisation. Tappin and Cave (2010) perceive that organisations with successful talent management strategies in place tend to focus on the top performing employees, and they structure their business to ensure that they provide attractive and stimulating opportunities for talented and skilled employees as a way of getting the best out of them. In contrast, Truss, Mankin and Kelliher (2012) argue that focusing on top performing employees could lead to such employees leaving the organisation for other industries.

Frost (cited by Roodt, 2005: 48-55), observes that organisations are faced with various challenges in retaining talented employees and these challenges are influenced by some of the following factors:

- Emigration of skilled employees which is taking place at an alarming rate.
- Shortage of experts and managerial employee's due to oversupply of unskilled labour and an under-supply of skilled labour;
- Employment equity, which engenders instability among employees.

In summary, it can be noted that companies are faced with the problem of retaining talented and skilled employees because their focus is not on talent management and staff retention.

1.2 PROBLEM STATEMENT

South African organisations are faced with the challenge of retaining skilled and talented employees. According to Hendricks (2006: 9), South African industries have employees who have scarce skills, and they are in great demand in similar organisations at home and abroad and these employees who are skilled and talented are difficult to retain. According to Dess, Lumpkin and Eisner (2008: 119), it is important that organisations start hiring and developing the best employees in their organisations, as they are likely to be unproductive if they are not given challenges. All organisations should attract the right candidates and also ensure their retention strategy is in order. According to Brown (2006: 2), when an organisation does not have a proper retention strategy, it can experience a negative impact in its operations, because replacing skilled and talented employees is expensive, time-consuming and may even affect the sustainability of such an organisation.

The present study focuses on identifying the challenges faced by the ICT industry in South Africa in terms of retaining their skilled and talented employees and also providing recommendations on how to address the challenges faced by the ICT Industry through talent management and staff retention strategies assessed and evaluated in the literature review.

1.2.1 AIM OF THE STUDY

Firstly, the purpose of the present study is to investigate staff turnover rates over a two-year period among Information and Communication Technology (ICT) companies in South Africa. Secondly, the study focuses on determining if there are any common factors for the high staff turnover amongst skilled and talented employees in the ICT sector.

1.3 Research Objectives

Research objectives for this study are divided into general and specific objectives.

1.3.1 General objective

The general objective of this research is to determine the factors relating to the challenge of retaining skilled and talented employees in the Information and Communication Technology Industry in South Africa.

1.3.2 Specific objectives

The specific objectives of this research are:

• To recommend processes that ICT companies could implement in order to motivate their employees to perform better even if they are faced with internal and external challenges.

• To determine factors that have an impact on staff retention from the identified internal and external challenges towards retaining employees in the information and communication technology companies.

• To make recommendations on effective retention strategies that the company could use to retain employees

1.4. RESEARCH METHODOLOGY

1.4.1 Literature review

This section provides a general background on effective practices that organisations could apply to retain skilled and talented employees in their organisations, states the objectives, the significance and the limitations of the study. The general content of the study is also highlighted, to serve as background for understanding the research problem.

1.4.2 Research design

A survey design was used for the present study. Ghauri and Gronhaug (2010: 118) refer to surveys as methods that used for collecting data, and utilise questionnaires or interview techniques for capturing the verbal behaviour of participants.

1.4.2.1 Research Approach

A quantitative research approach was used in the present study, using a diagnostic tool of talent retention that was developed from the literature review and the scale development process that was developed by DeVellis (2012: 73). The following steps below were applied to the present research as explained in Table 1.1 below:

Table 1.1 Scale development process

Scale development step	Application in present study
Step 1: It is important a researcher to determine clearly what it measured - the sample chosen, giving a clear representative of the population studied and which results are generalised.	Step 1: Identify the parameters of retention and turnover, when using the measurement scale a theory should be included.
Step 2: Generate an Item Pool – the questions designed should be constructive and the items that are measured must reflect the purpose of the scale.	Step 2: Respondents received questions based on the relations they have with management
Step 3: As a researcher you must determine the format for measurement – the following should be included: the type of scale to be used, the format used to evaluate the items, the number of response categories.	Step 3: Format items were developed using Likert response scale.
Step 4: Have the initial item pool reviewed – it is essential to include an expert panel to assist and also do an evaluation of the sample that can determine the validation of the content used.	Step 4: This research did not include expert panel.
Step 5: Consider the inclusion of validation items – this process is used to determine and evaluate convergent validity or construct validity	Step 5: In this present study, social interest scales were not included.
Step 6: Administer items to a development sample- scale items are managed and also to make sure that validation is done on a sample of respondents used by the researcher.	Step 6: Design and conduct a questionnaire which identifies a sample of 150-300 employees within Information communication technology industry, using a diagnostic retention tool for validation of items.
Step 7: Evaluate the items – this process is used to identify and eliminate ambiguous items found in the study process and also look at items that do not discriminate amongst respondents.	Step 7: Evaluation of items, following guidance of DeVellis, (2012: 73) to include the following items: coefficient alpha, means, variance and scale correlations when necessary.

1.4.3 Research Participants

Population

Questionnaires were distributed to employees within one Information Communication and Technology (ICT) company in South Africa. The suggested sample size of 169 was calculated using the Raosoft sample size calculator. However, a total of 300 questionnaires were distributed to all employees targeted in this study in order to attain a high response rate. The targeted employees comprised the following structure: top, middle, and lower operational employees.

1.4.4 Measuring Instrument

Questionnaires were designed based on the needs of the organisation and their business functions. The questionnaires were sent to Directors, Middle and Frontline employees within one information and communication technology company. A diagnostic tool focusing on talent retention was developed by Theron, Barkhuizen and Du Plessis (2014) to determine the turnover and retention factors for organisations that have a challenge in retaining their skilled and talented employees.

The diagnostic tool was formulated in the form of a survey questionnaire format which consists of the following three sections. Annexure A is the demographic information from the respondents. Section A (factors that would encourage you to stay in the company), Section B (factors that would encourage you to leave the company) and Section C (retaining and satisfying employees in the company). Section C 1(talent management) and Section D (Return on Investment) were answered by Managers only. All employees were expected to answer honestly and truthfully based on their experience. The questionnaire was completed over a period of 3 months by employees of the organisation.

The literature review was instrumental in developing the questionnaire referred to in the segment above. Confidentiality of the answers was assured to all the respondents. The importance of control in conducting experimental research has been pointed out in the study. Relevant authorities at the North-West University approved ethical clearance for the current research method and the questionnaire.

1.4.5 Reliability and validity of the questionnaire

Exploratory factor analysis (EFA) was used to identify the factors that have an impact on staff retention. The factors identified in EFA were confirmed using confirmatory factor analysis (CFA). All data analysis was done using the Statistical Package for Social Scientists (SPSS). According to Field (2009), Hair, Black, Babin and Anderson (2010), there is a measure that determines the degree of inter correlations amongst variables within the study conducted, and the measure is called Kaiser-Meyer-Olkin which also corresponds to the Bartlett's test. The interest in using this test was to establish the correlation matrix of the measurement instruments in order to confirm the suitability of the data that for factor analysis on different scale measures. Hair, Black, Babin and Anderson (2010), further elaborated that for the factor analysis to be accepted on the research study conducted it should be 0.6 and above, based on the guidance of Kaiser-Meyer-Olkin measurement. A cut-off point of 0.32 was used for variables in the present study to allow for analysis. Determining the Cronbach's alpha a cut-off point of 0.7 was used in the present study to determine the reliability of the scale and its items and it was an acceptable parameter for reliabilities (Field, 2009).

Due to the nature of the study the following descriptors were used in the present study: standard deviations, statistics means, kurtosis, skewness and cross-tabulations. The questions were developed by the researcher from the needs of the employees in the Information Communication and Technology company.

The questions were short and simple for the employees to understand in consonance with the recommendations of Terre Blanche, Durrheim and Painter, (2006), "that a short and simple questionnaire is preferred because it yields a high response rate."

1.5 RESEARCH HYPOTHESES

The research hypotheses are:

H 1 Incentivizing performance promotes staff retention

H 2 Talent Management improves performance and encourages staff retention

H 3 Staff retention is improved when the retention strategy is continuously reviewed

H 4 Lack of skills development negatively affects staff retention.

1.6 ETHICAL CONSIDERATIONS

All the participants were informed about the research and the anticipated outcomes. Privacy, confidentiality, and anonymity were ensured.

The following ethical considerations were taken into account.

- Participants remained anonymous as no names were mentioned.

- A letter of consent from the Faculty of Commerce and Administration from the North-West University was sent to the ICT company, carrying a full description that indicated the purpose of the questionnaire, and also highlighted that the information gathered was for research purposes only and the confidentiality of data collected from participants was confidential.

1.7. CHAPTER DIVISION

Chapter 1: Introduction, Problem statement and outline of the study

Chapter 2: Literature Review

Chapter 3: Research Methodology

Chapter 4: Research Results and Discussion of Results

Chapter 5: Conclusion, Limitations and Recommendations

1.8 CONCLUSION

This chapter looked at the background and factors that have an impact on talent retention of skilled employees in the ICT Industry in one South African company. The purpose of this study was also discussed and the next chapter focuses on a review of relevant literature on retention factors and their role in the implementation of successful retention strategy for organisations.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Chapter 2 focuses on the concept and literature of staff retention and its impact on employees and the organisation. This chapter first defines retention and how organisations could retain their talented and skilled employees. The review includes staff turnover in an organisation and the impact that the rate of high staff turnover has on the organisation.

2.1.1 Talent management in an organisation

Elegbe (2010) defines talent management as a process that organisations use to manage critical skills, competencies and talent needed in the current and future workplace. This process is important as it gives an organisation methods to be used when they recruit, hire, develop, and manage employees. In addition, talent management assists in retaining a high performing workforce. Fulmer and Bleak (2008: 99) state that talent management is a process that focuses on the empowerment of individuals in developing their talent. It is important to identify and develop skilled and talented employees within the organisation. Furthermore, Fulmer and Bleak (2008:99) identify talent management as a process with building blocks that assist the organisation in identifying future leaders and giving the employees an opportunity to accumulate experience and contribute to the talent pool of the organisation.

Hansen (2007: 2) defines talent management as an aspect in an organisation that refers to talented and skilled employees who put an effort in moving the organisation forward with a positive attitude. The skilled employees are considered top achievers and the ones inspiring other employees to superior performance. In all organisations talented employees represent the core competence of the organisation. Nelson and McCann (2008: 46), further state that talent management is important because employees carry the knowledge that they have in the organisation, and employees are the main people who come up with innovations that would make the company grow and become productive. Shukla (2009: 4) states that talent management focuses on human capital development as this gives the organisation an opportunity to manage recruitment and assess the talented employees, merging talent management with performance management and appropriate compensation.

Caplan (2011: 9) further explains that talent management strategies, practices, and processes help create a high performing organisation that survives and prospers in a rapidly changing business environment. This focus gives the organisation the opportunity to identify, develop and promote their best employees. Caplan (2011: 6) further elaborates that talent management gives the company an opportunity to empower employees and a platform to learn from their experiences in the workplace, which gives employees a chance to look at their long term developmental capabilities. According to Bakker and Leiter (2010: 11) employee engagement links with talent management because it is a process that is continuous and employee engagement involves commitment and involvement from employees within the organisation. Bakker and Leiter (2010: 11) further state that if employees are not happy at work they would not be easy to retain. Organisations need to work hard to motivate their employees and also providing a sense of passion to ensure that employees are engaged within their work and satisfied.

Many organisations including the Information Communication and Technology (ICT) Company want to manage their talented and skilled employees and these companies should have strategic plans on an annual basis in order to assist them with their current challenges of retaining skilled and talented employees. Stockley (2014) suggests that talent management is a concept that combines a number of important aspects in human resource and initiatives that are engendered by the organization. Furthermore, talent management is a mindful, thoughtful approach undertaken to make sure that the organisation attracts, develops and retains people who have the capacity to meet current and future organisational needs.

According to Cheese (2008), talent management creates high employee performance and it also attracts new talent and creates the means to factor appropriate rewards in the organisation. The other aspect is that talent management of skilled and talented employees brings improvement in productivity, innovation, quality and satisfaction. It can be stated from the above that talent management is important in any organisation because without it the organisation is doomed. According to Berger and Berger (2011: 11), there are important competencies that constitute building blocks of a talent management system that the company could consider, namely: action orientation which focuses on setting targets and achieving results in which the individual overcomes obstacles that they are faced with and that creates results oriented environment.

It can also be stated that the competency of citizenship is also important as it is when an individual represents commitment to the organisational values, ethical codes and principles of sustainability. Berger and Berger (2011: 7) state that it is also vital that there is communication in the organisation that gives employees the chance to share ideas and understand viewpoints of other colleagues; customer orientation gives the organisation the opportunity to build and set up appropriate customer expectations, satisfaction and response to customers' needs. Berger and Berger (2011: 18), elaborated that good leadership and teamwork from management empowers employees and gives them motivation in their work environment. Beyond this, efficient leadership gives employees the opportunity to feel needed and wanted by the organisation and thus building their confidence. In return, the company knows how to develop, build trust, attract, and retain their employees in the organisation, linking all these concepts to employee performance, job performance, employee engagement, training and development, retention and talent management.

2.1.2 Staff retention and Staff turnover in an organisation

Chaminade (2007: 1) defines retention as a voluntary move by employees who want career growth, and this voluntary move gives the organisation an opportunity to engage with employees who remain within the organisation. Proper long-term implementation of retention strategies includes graduates. The main purpose of retention is to prevent the loss of skilled and talented employees from the organisation which could also have an effect on productivity and service delivery in the organisation. Retention gives organisations an opportunity to attract and effectively retain critical skills and high performing employees who are already in the organisation. Employee retention is a critical issue that managers are faced with in their organisations because of shortage of skilled and talented employees. The ability to retain such competent employees curtails the possible high rate of employee turnover and the consequent negative impact on economic growth. Robbins, Odendaal and Roodt (2009), indicate that organisational behavior connects with employee retention because its main focus is to improve productivity, reduce absenteeism and turnover focusing on the behavior of employees within the organisation and the impact that behavior has in the organisation. If organisational behavior is taken into consideration then employee retention entails interpersonal skills of employees that must be highlighted.

It can be noted that many companies commit themselves to improving the quality of the working life of employees in their organisations through communication which helps them with understanding commitment and involvement in the growth of leadership and employee engagement. Brown (2006: 2) cites lack of proper retention strategies as having an adverse effect on South African organisations because replacing key employees is disruptive, expensive, time-consuming and may even threaten the sustainability of an organisation. Organisations in South Africa are faced with a challenge wherein the rate of replacements rises over time, particularly involving talented and skilled employees.

Dess, Lumpkin and Eisner (2008: 119) have shown that it is important that organisations understand that hiring and developing the best employee is fruitless for the organisation if they cannot provide a working environment that is proper for their employees and give the employees rewards that motivate the employees and give them that comfort that they are valued by the organisation. Information and Communication Technology Industry in South Africa must make sure that they attract the right employees and also ensure their retention strategy is robust for their skilled and talented employees to make a difference in the realisation of the industries' goals. According to Hendricks (2006: 9) "employees with scarce skills are in great demand, including graduates in South Africa, and these employees are becoming difficult to find and to retain simply because of their demand and war for talent by industries."

According to Döckel, Basson and Coetzee (2006), there are six critical factors that need to be considered by organisations in order to retain skilled and talented employees, namely: compensation which is classified as base salary; job description for the employee which includes the skills required and explanation of the duties and responsibilities; personal development plan focusing on training and development opportunities that the employee would have to attend; how management supports the career growth of the employee and work and life balance policies. These factors are explained in detail below:

- Compensation: salary that is used by the organisation to lure competent employees.
- Job characteristics/ description: competent employees require challenging work that will give them the opportunity to use their skills effectively.
- Training and development opportunities: it is important that organisations ensure that their employees are trained and are up-to-date with the recent changes when it comes to technology.

- Management support: management in the organisations must reward their employees and make sure that they have constant innovations.
- Career opportunities: when organisations invest in their employees, it gives the employees a sense of comfort and motivation that they are needed by the organisation.
- Work and life balance policies: organisations ought to include flexible working hours and enough leave days' allocations to employees per annum.

Retention is a process that organisations implement to ensure that employees with scare and often critical skills are retained within the organisation (mainly where recruitment is difficult). According to Bagraim and Hime (2007), interpersonal trust within the organisation from managers is important as it assists with committed employees. This point gives management the ability to manage skilled and talented employees, mainly because of retaining these employees and implementing retention strategies within the organisation. It is important that managers in organisations should understand that meeting the needs of their employees requires proper implementation and evaluation of retention practices done on an annual basis. According to Lanyon (2007: 43), there are motivational factors that are important when an organisation implements retention strategies namely: skills development, financial rewards, recognition, challenging work, and freedom to act independently. It can be noted that all HR managers in the ICT industry need to improve constantly on motivational factors that are mentioned above in order to have proper retention practices. This reduces the rate at which high net worth employees withdraw from their organisations.

Armstrong (2017: 290), defines employee turnover as the rate of employees who would leave a company in a year due to different reasons. It is important for a company to know and manage its staff turnover as such departures have a negative impact on the company's financial stability. Armstrong (2017: 295), states that employee turnover is a continuous problem that organisations are faced with and turnover has become a problem as organisations are unable to retain employees. Many organisations have identified turnover as a threat as it calculates or identifies the loss of staff in an organisation and turnover would create vacancies that may need to be filled and that may not be the best option for the organisation. Martin (2010: 177), cites that high staff turnover affects the functioning of the organisation and as a result there is a lack of commitment from employees. Such lack of commitment eventually leads to the deterioration of the organisation's image. In most companies, it is evident that employees

resign from their organisations for different reasons, including better salary and benefits, especially in an economy like South Africa in which skills are relatively scarce and recruitment is costly. In instances where it takes several months to fill vacant positions, high labour turnover of skilled workforce becomes a big problem. Resignations of employees can be divided into two categories: pull and push factors. According to Rowley and Jackson (2010: 197), lack of retention policy and plan within the organisation would be on the following factors: "pull factors include the attraction of a new job and push factors may be unhappiness with the present job that motivates an employee to seek alternative employment in a different organisation", as a result it is more the push factors that are more influential in resignations.

It should be noted that some reasons for leaving are personal and cannot be entirely explained by the employer as they would be out of their control. According to Schultz and Schultz (2006) unemployed people have unrealistic expectations about their dream jobs, and they end up disappointed when their high expectations are dashed by their employers. However, when these new employees get on board with what the organisation expects from them and also understand that the conditions of service promised by the employers are not forthcoming, such employees immediately update their resumes and quit for other jobs, and this leads to increasing resignations in the organisational profile.

According to Schultz and Schultz (2006: 243), the other factor that has an impact on staff retention is retrenchment and it is defined as cost-cutting measures that can be regarded as involuntary turnover. Retrenchment can have a negative impact on the organisational plan in retaining skilled and talented employees as these employees would have to transfer their skills and knowledge to graduates in the organisation so that the organisation can have proper succession plan reducing the process of downsizing. Cummings and Worley (2015: 413), state that organisations would become competitive with other industries if they are high performing organisations, and a high performing organisation includes: task team designs (giving employees an opportunity to build relationships with their colleagues through team activities), loyal customers, employer of choice (people who want to work for this industry). A combination of these factors would assist in reducing employee turnover.

In most cases, South African employees experience lack of job satisfaction which results in a low level of employee commitment which, in turn, impacts on performance of employees and the achievement of their company goals. This could result in low productivity, high

absenteeism, labour unrest, industrial action and high labour turnover. King and Lawley (2013: 292) suggest that in the organisation, people are either motivated or demotivated. There are some factors that would impact how people behave at work, especially with regards job satisfaction and the environment. Employees are not only focused on the rewards concomitant with salary but also on appreciation of the effort they put in the work they do. They also factor in if their efforts are noticed and they are praised for the achievements. Management may implement support programmes (for example, employee wellness) and focus groups to help employees deal with stress at work, especially during more challenging times. King and Lawley (2013: 383) furthermore suggests that managers must take time to understand that employees have different needs, and managers must appreciate that some needs take priority over others. In such recognition, the implication is that managers ought to devise means of solving them. Employee management is important and it should be a fair process when implemented as it places a major role on the employee's career growth. When employees are frustrated, the rate of turnover would increase as they would perform poorly on their work.

Lockwood (2006), suggests that employee engagement would have a great impact on the productivity of employees and talent retention in the Information Communication and Technology (ICT) industry. In addition, employees want to work in an organisation in which they find meaning at work, based on Maslow's needs hierarchy model. In Maslow's hierarchy, once an employee is satisfied based on these needs (employee performance, job performance, employee engagement), then the employee looks for developmental opportunities, the possibility for promotion. It is only is the realisation of higher needs of the employee that appropriate management styles could be introduced to all employees.

Bridger (2015: 1) states that employee engagement entails the organisation's capacity to engage, retain and optimize the value of its employees and how well jobs are designed for existing and new employees. It is important that ICT Companies management show commitment and support to employees because such practices would motivate employees to stay in the company. Companies must access new ideas, plans and strategies that are introduced in the organisation by management to encourage employees not to resign and remain in the organisation. Bridger (2015: 22) further indicates that employees need to have a positive relationship at the workplace as their attitude impacts on how they perform at work. The basic tenet is that if they are involved and committed in producing positive results with their work, then the company retains a competitive edge. Employee engagement has been identified as one

of the factors that have an impact on the organisation's revenue and profits, and the organisation benefits as they have an opportunity to increase incentives of employees so that they can be retained. The major point here is that the ICT industry depends on revenue and profit from customers in South Africa.

Beardwell and Claydon (2010) demonstrate that it is important that organisations retain the right talent that will grow the organisation and minimise turnover and absenteeism. Talent management is critical as it assists with motivation and career development of employees. The amount of turnover in an organisation can be used as a quantifiable indicator of effectiveness. According to Bondarouk and Lujan (2014: 156) it is costly to replace workers. Staff turnover is further exacerbated by the fact that losing high performing individuals affects the productivity of the organisation. It is most felt when employees performing complex jobs leave the organisation and the organisation loses the investment that was made in their development. Rothwell (2015: 342) also indicates that turnover can be beneficial to an organisation when looking at a holistic and systematic approach. Initial high turnover compels any well-meaning organisation to focus on retention and the costs would be minimum. Productivity could increase by providing better person-job matches and this would contribute to an efficient labour market.

These replacement costs include for example, the search in an external labour market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit. Kreitner & Kinicki (2010: 176) state that turnover within organisations is important as it disrupts organisational continuity and is very expensive. Costs of turnover have two classifications: separation costs and replacement costs. The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on the South African labour market and industries.

French, Rayner, Rees and Rumbles (2011: 61) indicate that dismissal can also be avoided if organisations manage employees who are constantly absent at work. It is important that attention is given to the selection of suitable persons and to the encouragement of stable groups through careful induction procedures and proper socialisation. Kreitner & Kinicki (2010) define turnover as the proportion of employees leaving a job during a given time period, reasons which may not be personal but rather work-related in a sense that organisations would have to retrench employees as they have financial problems.

Turnover reflects the effect of the balance between organisational benefits (pull factors) and career attitude to work (push factors). Turnover behaviour may be counteracted by career aspiration if expectations for advancement keep employees in the organisation, added to a natural fear of unemployment.

2.2 Costs associated with turnover

It is important that an organisation must manage its staff turnover carefully as this could have a significant impact on the annual costs incurred by the organisation. According to Schultz and Schultz (2006:), employee turnover is costly for organisations and every time an employee resigns, a replacement for that employee must be recruited, selected, trained, and permitted time on the job to gain experience. In most cases the costs of turnover include recruiting costs, selection and or employment costs, orientation costs, training costs, salaries, administrative costs, lost productivity, loss of human capital and customer satisfaction issues. Employees give different reasons which may include inadequacies by the company (for example, poor salary, discrimination, lack of promotion, etc.). Management can review the reasons and this helps the company in the formulation of retention policies that adequately provide for the shortcomings. According to Choo and Bowley (2007), new employees normally go through the process of on-the-job training, and in some cases, they are sent for courses to acquire a specialised skill. These costs are enormous and when a highly trained employee resigns without justifying these huge training expenses, organisations stand to lose all the investments already made.

According to Greenberg and Baron (2008) staff turnover costs the South African industry several million rand a year. They mention the following examples of the cost of staff turnover:

- Increased recruitment, selection and placement costs
- Increased training and development costs
- Lower productivity, more accidents and quality problems
- Disruption in programmes and projects as managers and administrators leave.

Greenberg and Baron (2008) state that direct costs are those incurred during the hiring process and include advertising or hiring temporary staff. Indirect costs relate to the termination of employment, orientation and training, and decreased productivity. The same researcher also point out that the indirect cost of turnover in the ICT industry could be significant because of decreased initial productivity of new employees and decreased staff morale and group

performance. A high level of staff turnover can also result in discouragement as remaining staff question their own continued employment in this industry.

2.3 Factors that would have an impact on staff retention of skilled and talented employees based on Maslow's needs hierarchy theory

Maslow's hierarchy of needs has a link with the following factors: employee performance, job performance, employee engagement. Further explanation on these factors is elaborated below. It can be stated that when an employee is happy and productive it gives positive benefits to an employer. According to Griffin (2015), Maslow's hierarchy of needs is classified into five levels and these are arranged in a hierarchy of importance, namely: level one refers to the satisfaction of the physiological needs which include the basic needs such as housing, material and financial benefits that would have a positive impact on the employee job performance. At level two, the needs embrace safety needs in which they include security and protection from physical and emotional harm are projecting. Furthermore, at level two, the employer must provide a safe working environment, while the responsibility is within individuals to ensure their own personal safety outside of the work circle/ work environment.

Griffin (2015) further explained that level three refers to the social needs that entail the need for affiliation, focusing on the relationship with managers or subordinates and it should be noted that this level calls on the critical social support of employees. It is necessary to enhance job performance of employees in the Information Communication and Technology (ICT) industry through a practical fidelity to this point. It can be noted that self-esteem needs exist at level four of Maslow's hierarchy and is divided into two parts, namely,

(i)   the need for recognition and respect from others and

(ii)   (ii) a need for a positive self-image and self-respect. It is important that a manager understands that salary and benefits are not the only aspects that would make an employee stay with the organization.

The self-actualisation needs are at the highest level of Maslow's hierarchy and are met when all previous levels have been satisfied to a large extent (Robbins, 2009). Satisfaction of self-actualisation in the workplace is enhanced by creating opportunities for promotion of employees, allowing employees some degree of independence, and providing challenging assignments and the optimal utilisation of the individual's ability. This is specifically prevalent in the case of top management where the factors mentioned above impact positively on

employee job performance as each need in terms of the hierarchy becomes substantially satisfied, the following need becomes dominant (Robbins, 2009).

Maslow's theory has implications in the retention of employees as managers in organisations must find ways of motivating their employees by finding practices and programmes that are aimed at satisfying those critical needs that they have. It is important that managers create a proper working climate that would give employees an opportunity to grow. Failure to do so can result in withdrawal of the employee, low job performance and increased stress level.

2.4 Strategies for Managing Skilled Employees

When it comes to retaining skilled and talented employees, there are strategies that the ICT industry could use in order to decrease the turnover rate within the organisation, given the understanding that the long-term loyalty of highly skilled employees within the organisation is not necessarily the norm. The other component relates to the high flexibility rate of skilled employees. According to Phillips and Thomas (2009: 82), in order to prepare South African employees who are skilled and talented, to become future leaders in this successful dynamic work environment, current organisations, including the ICT industry, must have business managers who serve as role models and are committed to their employees. In this regard, the Information Communication and Technology industry must adapt to the following proposed strategies of retention of their skilled and talented employees.

In South Africa, the government is enacting legislation that is aimed at promoting good retention practices in its departments and parastatals, and the Information Communication and Technology industry should develop retention strategies that focus on attracting critical skills and high performing employees, but also retain them for optimal utilisation for current and future growth of the industry. Caplan (2013) states that the objective of retention strategies should be to identify and retain talented and skilled employees within the organisation as they have the knowledge of how the organisation operates. It is widely accepted that skilled employees contribute greatly to organisational success and indeed make the difference in service delivery and overall organisational performance.

Organisations must implement good retention policies that assist the organisation with attracting and encouraging talented employees to stay and that would result in good human resource practices. According to Bussin (2014), in order to protect the organisation from the

disruptive loss of skilled employees through aging workforce, each organisation needs to capture the knowledge on a continuing basis of the skilled and talented employees such that the inevitable transfer of skills to graduates through internship programmes and in-service training programmes is guaranteed, and waiting for the last minute when the employee is about to resign is curtailed. Bussin (2014) indicates that when high performing employees resign from the organisation they do not only leave with their knowledge and expertise, but with some valuable customers in whom they had established confidence and loyalty in the individual employee rather than the organisation. This statement would also be applicable to the Information Communication and Technology (ICT) Company as they deal with customers on a daily basis and they tend to form good working relationships with the customers.

According to Mello (2015: 593) there are different approaches that organisations may implement to reduce the rate of turnover. Managers can look at systematic strategies that would assist with turnover management within the organisation, salary increase and improving the work environment. Such actions would assist in that regard as employees would be satisfied and retained. In addition to that statement, Mello (2015: 597) elaborated that organisations should look at exit interviews and their recruitment process as that would give them an indication of what makes employees satisfied and what they would need to become employees of choice. In most cases candidates who are honest and open with their expectations from the organisation during the recruitment assist the organisation in maintaining a good retention strategy. The most important aspect is that organisations need to consider these strategies to retain key employees. Availability of alternative employment especially in a growing economy that is characterised by skills shortage like we have in South Africa also facilitates the mobility rate of such employees.

2.4.1 A Return on Investment approach (ROI) in managing talent in the company (a theoretical approach)

According to Phillips and Edwards (2009: 46-48), ROI approach, is one of the recommended systems that an organisation could use to manage talent and in return, this approach has analytical and strategic needs which determine whether or not coaching to retain talent really pays-off. Using the ROI approach gives the organisation an opportunity for them to view costs in retaining employees. Phillips and Edwards (2009: 46-48) state that there are 8 steps that are followed in the ROI Approach which are:

- **Measuring, monitoring turnover and retention data:** the focus would be on retention and talent data, and that data that is monitored and measured should be tracked down from different levels within the organisation, for example, the organisation level including the location as well as the individual level including age, etc.

- **Develop solutions for costs regarding resignations:** it is important to look at the cost of talent when an employee resigns from the organisation and most companies do not take this aspect into consideration.

- **Identify causes and needs for retention improvement:** determining the cause of resignations within the company from skilled and talented employees is a critical issue. In most cases the cause of resignation can be obvious, but more often, methods for collecting cause of withdrawal are biased and inaccurate.

- **Looking at various solutions:** many organisations are creative and they have their own approach to deal with resignations of skilled employees but keep in mind that there are sustainable solutions that can be developed to address the withdrawal problem.

- **Make solutions that will benefit the needs of the employee and organisation:** ideas that are great can be brought forward but it may occur that they cannot be used practically by the organisation or company.

- **Prediction on ROI for retention resolutions:** the company should develop solutions that would allow them to identify priorities that would work well with the solutions that came out from the return and investment approach.

- **Calculation of ROI for retention solutions:** this step contains all of the costs that the company would have to bear as well as the benefits, or pay-offs, of the retention solution which would reflect in a cost benefit ratio and indicated on an ROI calculation.

- **Make adjustments within the organisation:** the last process would provide the company with an extensive amount that can be sued in other areas to make adjustments and improvements in the future and it can also assist dealing with the barriers facing the company.

Return on investment approach and managing talent in the company can be a challenge and the duties of Human Resources department in a company therefore is to assist the organisation with ways of retaining skilled and talented employees in order to reduce the rate of employee turnover and the associated costs. According to Dess, Lumpkin and Eisner (2008), it would be important that organisations provide a working environment that is conducive for employees to work in and implement intrinsic and extrinsic rewards in order to retain their best performing

employees. Employee retention has therefore become an important aspect for managers so that they can retain their talented employees and avoid unnecessary costs for the organisation. South African labour market has a shortage of qualified manpower and this results in challenges for managers whose concern is development of efficacious retention practices. Managers in both public and private sector organisations have to implement innovative means of retaining high performing employees in order to avoid frequent recruitment which is costly and time consuming for the organisation.

According to Brown (2006), lack of proper retention strategies bears a negative effect on South African companies. The effect of staff turnover on an organisation can be examined and the effect of change on employee morale must be scrutinised in order to recommend corrective actions and constant changing management objectives. In conclusion, Berger and Berger (2011: 7) emphasise that it is also vital that there is communication in the organisation that gives employees the chance to share ideas and understand viewpoints of other colleagues. Customer orientation would give the organisation the opportunity to build and set up appropriate customer expectations, satisfaction and response to customer's needs. Berger and Berger (2011: 8) further state that good leadership and teamwork from management empowers employees and motivates them in their work environment. Such actions give employees the opportunity to feel needed and wanted by the organisation and by extension enables building their confidence. In return, the company will know how to develop and build trust, attract and retain their employees in the organisation, linking all these concepts to employee performance, job performance, employee engagement, training and development, retention and talent management as discussed.

2.5 Conclusion

This chapter explained the general background and has elucidated the problem of employee retention, turnover and talent management in perspective and also specified the objectives and the significance and the limitations of the study. This chapter also focused on causes for employee turnover, as well as turnover costs and it also set the foundation for a comprehensive analysis of the costs that are frequently associated with high turnover. It went into detail on strategies for managing skilled employees and employee retention.

It is important that organisations should implement a strategy that assists with retention of skilled and talented employees for optimal utilisation, and it would also be mutually profitable to the organisation and the individual employee. As a result of the cost of staff turnover, it is imperative that the company designs and implements an employee retention strategy, which is in line with the employee's needs and expectations. There are many elements that could make up a successful retention strategy. The elements highlighted in this chapter are an employer branding exercise, recruitment and selection, orientation and on-board training, development and career management, remuneration, non-monetary reward and recognition, communication and employee engagement, and the boomerang effect. Policy choices must be appropriate to the particular diagnosis of the problem. Thus, the company must first conduct surveys to establish the reason(s) for staff turnover, before selecting the elements that need to be focused on in their skilled workforce retention strategy.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The statistical analysis of data collected for this study was done and verified by the North-West University's Statistical Consultation Services. The data is presented through frequency tables for most of the questions in the one questionnaire. In the case of open-ended questions, the researcher grouped the answers into categories and reports on the findings.

In Chapter two, a literature overview provided information on the following concepts: employee performance, job performance, employee engagement, linking them to the Maslow's hierarchy of needs theory and the impact that these concepts have on the retention of skilled and talented employees. In addition, Chapter 2 looked at the impact of retention of skilled and talented employees from the selected ICT Company and the company's current plans and future plans. These two chapters were a foundation for chapter three.

3.2 Discussion of Research Hypotheses

The research hypotheses which formulated to provide a guide for the study were:

- **Hypothesis 1:** There is a correlation between incentivising of performing employees in the organisation and staff retention

This is consistent with the literature review where King and Lawley (2013: 292) suggests that in the organisation people are either motivated or demotivated, there are some factors that affect how people behave at work, especially in considering job satisfaction and the environment. Employees are not only focused on the salary reward dimension but also on appreciation of the effort they put into the work they do. When their efforts are noticed and they are praised for the achievements, the workers are likely to remain in their positions at the workplace. In the case of the selected ICT Company in this study, there is an apparent surge in revenue and profit derived from customers in South Africa because of the presence of competent and skilled staff as indicated in their responses on the questionnaire section D.

Therefore, there may be a positive relationship between retention of skilled and talented employees in the selected Information Communication and Technology (ICT) Company, if the organisation can make more profit on their revenue to give their skilled and talented employee's incentives on the work that they do. However, we need more research to further investigate this implementation of incentivizing employees on their performance.

- **Hypothesis 2:** There is a correlation between talent management in the organisation and employee satisfaction

This is consistent with the literature review where Nelson and McCann (2008) suggest that talent management is important because employees always carry the knowledge that they have in the organisation, as employees mainly come up with innovations that make the company grow and become more productive in the long run. According to Shukla (2009), talent management policies and practices become effective when they demonstrate commitment to human capital that results in more engaged employees and lower turnover.

According to Caplan (2011: 9), talent management strategy, practices and processes help create a high performing organisation that survives and prospers in a rapidly changing business environment. Such an edge is likely to give the organisation the opportunity to identify, develop and promote their best employees. Caplan (2011: 6) further states that talent management gives the company an opportunity to empower employees and a platform to learn from their experiences in the workplace, which gives employees a chance to look at their long term developmental capabilities.

Therefore, they may have a positive relationship within the retention of skilled and talented employees in the selected Information Communication and Technology (ICT) Company, if the talent of employees is managed and they are positively motivated to empower them. However, we need more research to further investigate this relationship between the two dimensions.

- **Hypothesis 3:** There is a direct correlation between staff retention and retention strategies, to show that when retention strategies are continuously reviewed, employees can be retained and remain committed.

This is consistent with the literature review that has already indicated that in South Africa, the government has endorsed legislation that is aimed at implementation of good retention

practices in its departments and parastatals. The Information Communication and Technology Company is also in the process of developing good retention strategies that will attract critical skills and high performers, and also retain them for optimal utilisation for current and future growth of the company.

According to Caplan (2013), the objective of properly implemented retention strategies should be to identify and retain talented and skilled employees within the organisation as they have the knowledge of how the organisation operates. Skilled and talented employees contribute in a positive way to organisational success and indeed make the difference in service delivery and overall organisational performance. Therefore, the implementation of these strategies may have a positive impact on the retention of skilled and talented employees in the selected Information Communication and Technology (ICT) Company. However, we need more research to further investigate this relationship when policies are implemented in the organisation.

- **Hypothesis 4:** Failure of management to develop employees is related to factors that may encourage the employee to leave the organisation

This is consistent with the literature review on the following statements where Phillips and Thomas (2009: 82) argue that in order to prepare South African employees who are skilled and talented, to become future leaders in this successful dynamic work environment, current organisations including the selected ICT Company must have business leaders/ managers who serve as role models and are committed to their employees. In this regard the selected Information Communication and Technology Company must adapt to the following proposed strategies of retention of their skilled and talented employees based on the responses of section C of the questionnaire on retaining and satisfying employees. Berger and Berger (2011: 8) are of the opinion that good leadership and teamwork from management empowers employees and motivates them in their work environment and offers employees the opportunity to feel needed by the organisation, thereby building their confidence. In return, the company becomes aware of how to develop, build trust, attract and retain their employees in the organisation, linking all these concepts to employee performance, job performance, employee engagement, training and development, retention and talent management.

Therefore, when managers concentrate on development of their skilled and talented employees in the selected Information Communication and Technology (ICT) Company, the development may have a positive impact within the organisation. However, we need more research to further investigate this process of implementing skills development in the organisation so that employees are retained successfully and have no reason to leave the organization.

3.3 Research Method

Research design

The present study used a survey design. In this quantitative approach, questionnaires were used to collect data and simple random sampling was used. The following steps were completed:

Step 1: Considering the factors that have an impact on the staff retention of skilled and talented employees in the Information and Communication Technology Company (ICT) and also to grouping all the workers who experienced retention.

Step 2: Looking at how the organisation deals with staff turnover and retention of employees and how this impacts on their work performance.

Step 3: Developing measures to ensure that staff turnover and retention in the Information and Communication Technology Company (ICT) are reduced and do not have serious problems on all employees.

Step 4: Implementation of the new strategies based on the responses given from the questionnaires completed by the employees.

As mentioned in the previous chapter, a quantitative research approach was followed using a diagnostic tool based on talent retention which was developed from literature review and meetings with relevant Human Resource employees at the selected Information Communication and Technology Company in order to substantiate factors incorporated in the measurement scale.

3.4 Data collection, description and analysis

3.4.1 Determination of sample size and data collection

This study used primary data which was collected using a simple random sampling method. The Raosoft sample size calculator was used in determining the sample size. The suggested sample size was 169 using the default error margin of 5%, a default confidence interval of 95% and the expected response rate was kept at 50% which is also a default value. Since the expected response rate was 50%, the questionnaires were distributed to all 300 employees in the selected Information and Communication Technology Company (ICT) in Gauteng Province. The 300 employees were considered in order to attain a high response rate. The employees to which the questionnaires were distributed stratified the employees into the following structure: top, middle and lower operational employees. A total of 172 questionnaires were returned which was slightly higher than the anticipated 169.

3.4.2 Data collection instrument

As already mentioned above, the data was collected using questionnaires. The questionnaire used is a diagnostic tool for talent retention which was developed from literature and the scale development process was adopted from De Vellis (2012: 73). The questionnaire comprises of four sections namely: Section A (Factors that would encourage you to stay), Section B (Factors that would encourage you to leave), Section C (retaining and satisfying employees), and Section C1 (talent management) and Section D (Return on Investment). Each section comprised Likert scaled items ranging from 1=Strongly Disagree to 5=Strongly Agree.

3.4.3 Data analysis

Data was analysed using pie charts to summarise the demographic information and bar charts to present a holistic report on the perceptions of the employees on staff retention. Exploratory factor analysis (EFA) was used to identify the factors that have an impact on staff retention. The factors identified in EFA were confirmed using confirmatory factor analysis (CFA). All data analysis was performed using the Statistical Software for Social Scientists (SPSS).

This study implemented the following steps of factor analysis as adopted from Tabachnick & Fidell, (2007):

- Checking reliability (using Cronbach's alpha)
- Determining the sampling adequacy (using KMO)
- Determining number of factors to be extracted (using Kaiser's rule)
- Explainable variance
- Interpretation of factor loadings: there should be at least three significant factor loadings across all factors for the factor matrix to be interpretable. The significant factor loadings are noticed by absolute values of at least 0.3. The rule of thumb is that a good factor should have at least three items loading on it. However, this is very subjective in that if all rotation methods have been exhausted and there are still factors with items fewer than three, the researcher interpreted the factor matrix on the basis of theory.
- Rotation if necessary: in this study, both oblique (Direct Oblimin) and orthogonal (Variamx) were used if the initial factor matrix needed improvement. The use of both orthogonal and oblique methods is to compare the efficiency of these methods in improving the initial factor matrix.

The results of factor analysis aided in identifying the items that are highly correlated with each other hence could be used to test the hypotheses about the correlations between the variables of interest as mentioned in Hypotheses 1 to 3.

3.6 Conclusion

This chapter explained the research methodology of the present study, focusing on the following aspects the research: population, sample size and sampling procedure. The chapter also described the instrument used for collecting data and the methods used in analysing the data.

CHAPTER 4

RESEARCH RESULTS AND DISCUSSION OF RESULTS

Chapter 3 presented the research methodology of the present study, focusing on the following aspects the research population, sample size and sampling procedure. Chapter 3 also described the questionnaire and the method used in administering this instrument. Chapter 4 focuses on data analysis, research findings and discussion of the research findings. Based on the research questions mentioned below, the results are reported as follows:

Section A

4.1 Results

The following sections give a clear description of how the employees at the selected Information and Communication Technology Company (ICT) are affected by staff turnover rate and lack of strategies designed towards employee retention.

Biographical information

This section discusses respondents' biographical information and the results are presented in Tables and Figures below.
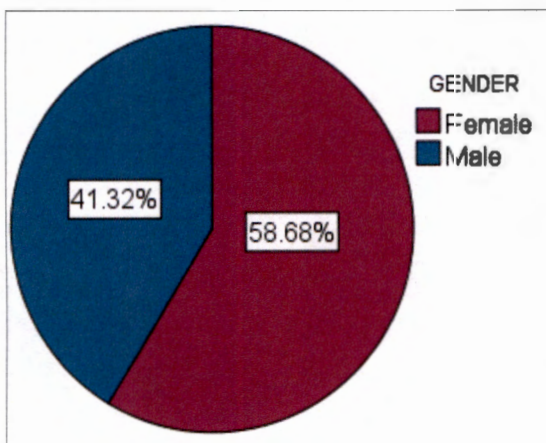
Figure 4.1: Gender of participants

Figure 4.1 shows that 58.68% of the respondents are female and the rest (41.32%) are males.

Figure 4.2 Distribution of the ages of the Employees
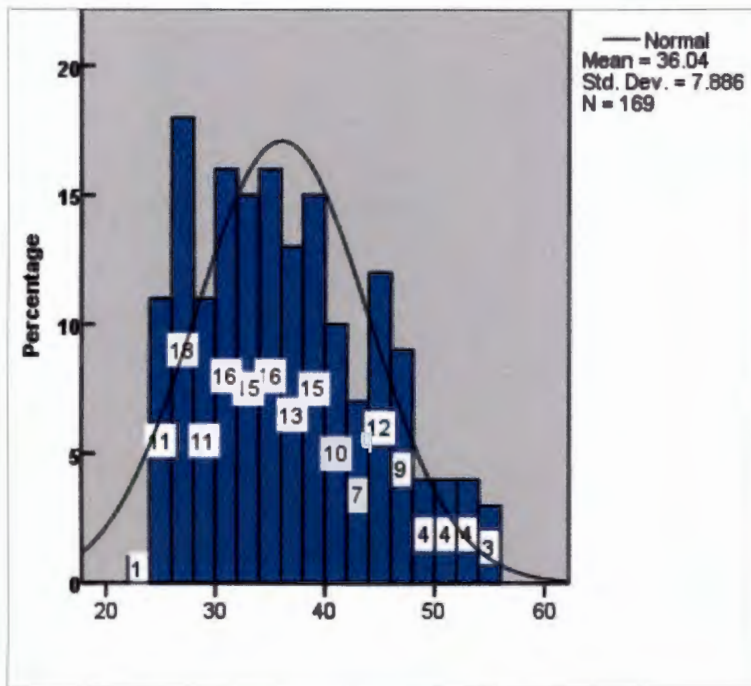
Figure 4.2 shows that the ages of the respondents are almost normally distributed. The minimum age is 24 years and the maximum age is 56 years. The majority of the respondents are aged between 26 and 40 years.

Figure 4.3 Educational Qualifications of Participations
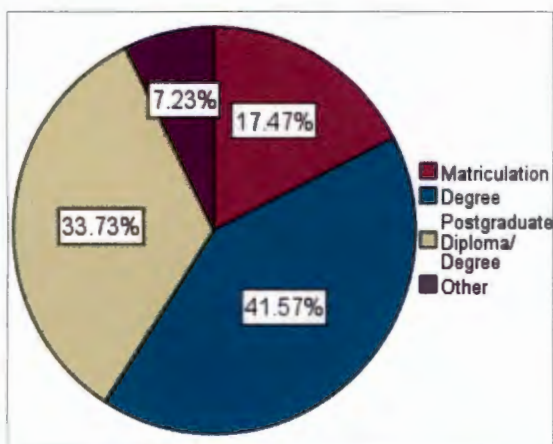
Figure 4.3 shows that the majority of the respondents (41.57%) have a degree as their highest qualification; more than a third of the respondents (33.73%) have a postgraduate diploma or degree; the respondents with matric only comprise 17.47% and the rest (7.23%) have other qualifications such as certificates.

Graph 4.1 Positions of Participations in the organisation
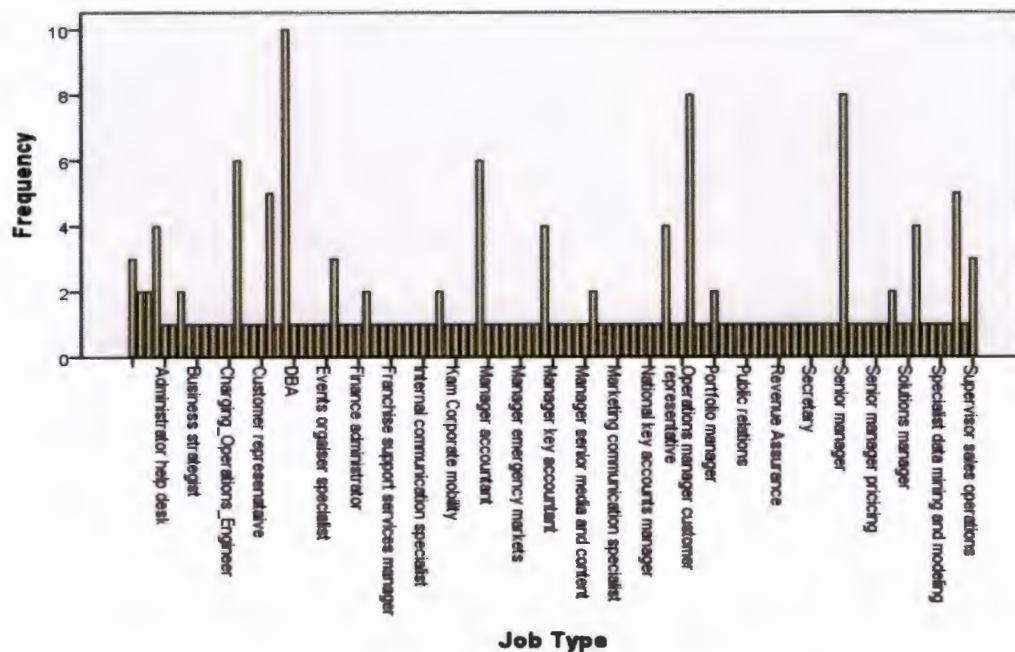
Graph 4.1 Positions of partcipants in the organisation representing both males and females.

Section A: Factors that would encourage you to stay

The following factors compensation and recognition, and management support were identified as possible factors that could encourage respondents to stay in their organisation. Firstly, the respondents' perceptions of their compensation and recognition are reported in the chart below.
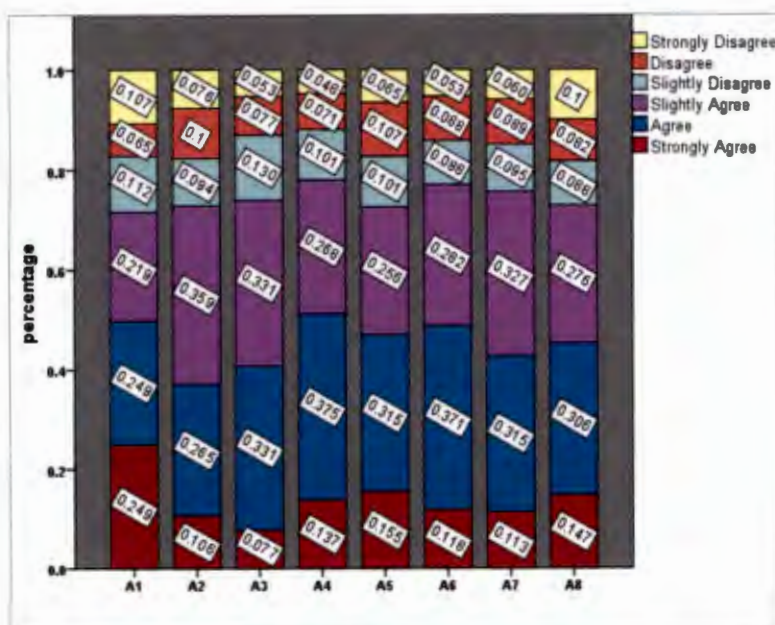
Figure 4.4 Employees' perceptions on factors that would encourage them to stay

A1. My medical aid benefits are adequate, A2. My basic salary is adequate, A3. I am praised and thanked for the work I do, A4. The company gives good incentives and bonuses that are satisfactory, A5. The bonus structure reflects my contribution to the company, A6. My pension benefits are adequate, A7. I am fairly compensated for the work that I do, A8. Activities for team building helps the staff to get along.

Figure 4.4 shows that in general, a large percentage of respondents are in agreement ("strongly agree", "agree" and "slightly agree") that the given factors (A1-A8) would encourage them to stay whereas a relatively small percentage are in disagreement ("slightly disagree", "disagree" and "strongly disagree") that the given factors (A1-A8) would encourage them to stay. In other words, there are more respondents who are in agreement with the statements than those who disagree with the given statements.

Section B: Factors that would encourage you to leave

Support from my line manager
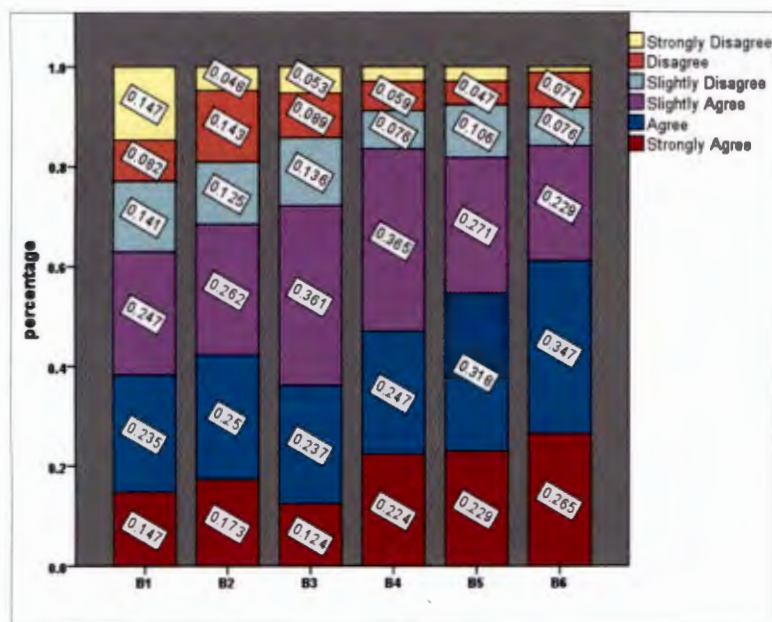
Figure 4.5 Employees' perceptions on factors that would encourage them to leave.

B1. Relationship with my line manager in the company, B2. Working conditions in the company, B3. The company has my best interests at heart, B4. Would leave for a promotion to another company, B5. Would leave for a career change and growth, B6. Would leave for more pay in another company.

Figure 4.5 shows that in general, a large percentage of respondents jointly agree ("strongly agree", "agree" and "slightly agree") that the given factors (B1-B6) would encourage them to leave whereas a relatively small percentage jointly disagree ("slightly disagree", "disagree" and "strongly disagree") that the given factors (B1-B6) would encourage them to leave. In other words, there are more respondents who are in agreement with the statements than those who disagree with the given statements.

Section C: Retaining and satisfying employees
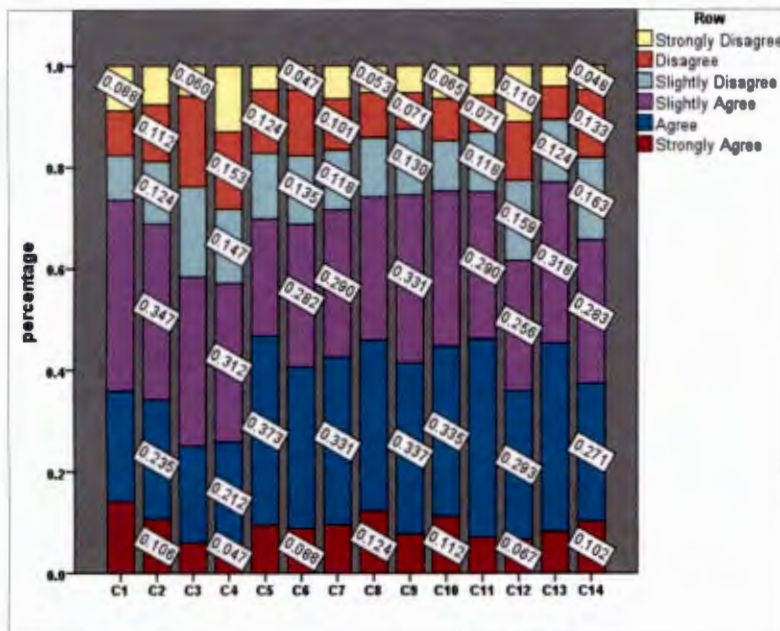
Figure 4.6 Employee's perceptions on factors that the company could improve on to retain and satisfy them.

C1. Happy about training opportunities; C2. Career development opportunities in the company; C3. Unhappy about company policies; C4. Unhappy about the job itself; C5. Number of workings hours required to work in a day; C6. Unhappy about financial compensation; C7. Changes and restructuring in the company; C8. Trusted Communication with line management; C9. Sufficient cultural diversity in the company; C10. Support from the human resource department in the company; C11. Opportunities to engage in different projects in the company; C12. Unhappy about training opportunities; C13. Happy about the working conditions in the company & C14. When replying to automatic e mails does it take your time to be productive?

Figure 4.6 shows that in general, a large percentage of respondents jointly agree ("strongly agree", "agree" and "slightly agree") that the company should improve on the given factors (C1-C14) in order to retain and satisfy them whereas a relatively small percentage jointly disagree ("slightly disagree", "disagree" and "strongly disagree") that the company should

improve on the given factors (C1-C14) in order to retain and satisfy them. In other words, there are more respondents who are in agreement with the statements than those who are disagreeing with the given statements.

Section C1: Talent Management
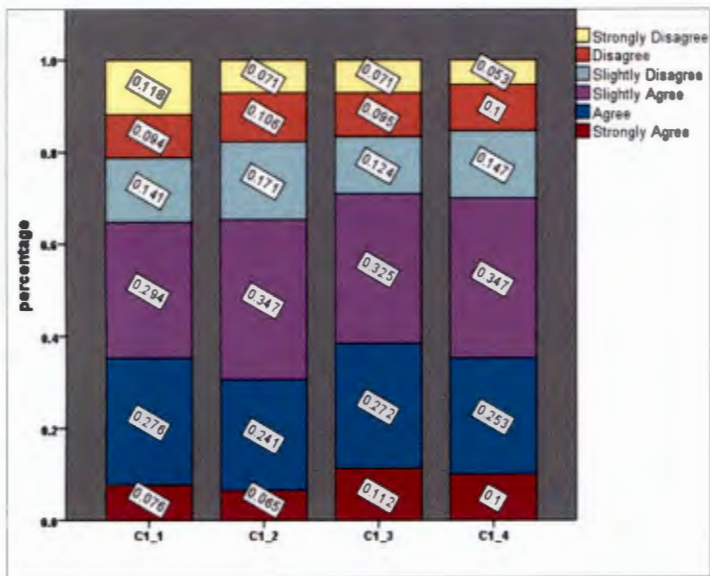
Figure 4.7 Employees' perceptions about factors that the company could improve on to manage talent.

C1_1. The company regularly evaluate talent needs, C2_2 The company has supportive information to create interest with qualified employees, C3_3 Induction programmes are well structured to help employees settle in, C4_4 When there is a vacant post the company gives first preference to the employees internally who are talented and qualified.

Figure 4.7 shows that in general, a large percentage of respondents jointly agree ("strongly agree", "agree" and "slightly agree") that the company should improve on the given factors (C1.1-C4.4) to manage talent whereas a relatively small percentage jointly disagree ("slightly disagree", "disagree" and "strongly disagree") that the company should improve on the given factors (C1.1-C4.4) to manage talent. In other words, there are more respondents who are in agreement with the statements than those who are disagreeing with the given statements.

4.2 Exploratory Factor Analysis (EFA) Results

The purpose of this section is to identify the items that are correlated which are expected to belong to the same factor.

Table 1 Reliability of the variables

Cronbach's Alpha	N of Items
.940	32

The Cronbach's Alpha indicates that the variables are 90% reliable hence they are appropriate for EFA (Field *et al.*, 2009).

Table 2 Adequacy of the sample

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.847

The KMO of 0.847 is greater 0.7 implying that the sample is adequate enough for factor analysis to be conducted (Leech *et al.*, 2015).

Factorability of the correlation matrix

Table 3 Bartlett's Test of Sphericity

Bartlett's Test of Sphericity	Approx. Chi-Square	4425.044
	Df	496
	Sig.	.000

The p-value for the Bartlett's test of sphericity is less than the significance level of 0.05 implying that the correlation matrix is not an identity matrix; hence it is factorable (Leech et al., 2015).

Table 4 Number of extractable factors

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.787	36.835	36.835	11.787	36.835	36.835	7.067	22.086	22.086
2	3.518	10.995	47.829	3.518	10.995	47.829	6.606	20.644	42.729
3	3.131	9.784	57.613	3.131	9.784	57.613	4.135	12.921	55.651
4	2.659	8.309	65.922	2.659	8.309	65.922	3.287	10.272	65.922
5	1.659	5.184	71.106						
6	1.344	4.200	75.307						
7	.940	2.937	78.244						
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
32	.051	.158	100.000						

Using the Kaiser's rule of eigenvalues greater one, Table 4 shows that there are six extractable factors accounting for about 75% of the total variation (Leech et al., 2015)

Figure 10 Oblimin Rotated Loadings

	1	2	3	4	5	6
A1		0,241	0,113	0,041	0,083	0,069
A2		0,212	0,184	0,046	0,029	0,096
A3		0,124	0,134	0,065	0,080	0,148
A4		0,228	0,105	0,002	0,006	0,016
A5		0,273	0,102	0,049	0,038	0,046
A6		0,174	0,131	0,100	0,170	0,053
A7		0,133	0,121	0,055	0,186	0,044
A8		0,055	0,147	0,127	0,296	0,016
B1	0,226	0,026	0,657	0,218	0,465	0,094
B2	0,228	0,031	0,706	0,116	0,362	0,097
B3	0,349	0,193	0,586	0,230	0,267	0,079
B4	0,139	0,164	0,886	0,110	0,017	0,094
B5	0,137	0,153	0,859	0,079	0,010	0,135
B6	0,078	0,273	0,814	0,017	0,131	0,062
C1	0,362		0,093	0,166	0,172	0,151
C2	0,370		0,011	0,294	0,002	0,345
C3	0,051	0,232	0,202	0,008	0,159	0,850
C4	0,086	0,385	0,082	0,053	0,172	0,775
C5	0,239		0,040	0,078	0,086	0,321
C6	0,176		0,227	0,020	0,030	0,311
C7	0,172		0,101	0,084	0,123	0,257
C8	0,121		0,193	0,102	0,156	0,051
C9	0,073		0,163	0,135	0,207	0,118
C10	0,163		0,142	0,010	0,175	0,046
C11	0,202		0,114	0,020	0,402	0,085
C12	0,093	0,215	0,210	0,036	0,673	0,481
C13	0,272	0,565	0,007	0,027	0,552	0,010
C14	0,217	0,385	0,087	0,087	0,739	0,231
C1_1	0,180	0,225	0,128	0,826	0,033	0,110
C1_2	0,104	0,203	0,032	0,894	0,009	0,092
C1_3	0,054	0,076	0,060	0,880	0,058	0,127
C1_4	0,065	0,061	0,015	0,822	0,017	0,117

Figure 10 Oblimin Rotated Loadings

Figure 9 Varimax Rotated Loadings

	1	2	3	4	5	6
A1	0,028	0,817	-0,006	0,017	-0,176	0,029
A2	0,000		-0,101	0,077	-0,064	0,053
A3	-0,111		0,013	0,017	0,003	0,109
A4	0,034		-0,058	-0,010	-0,089	-0,032
A5	0,114		-0,007	-0,012	-0,064	-0,100
A6	-0,011		0,044	0,006	0,082	0,003
A7	-0,043		-0,002	-0,004	0,108	-0,005
A8	-0,064	0,757	0,078	0,035	0,239	-0,068
B1	-0,049	-0,107	0,197	0,619	0,417	0,038
B2	-0,062	-0,116	0,096	0,681	0,313	0,042
B3	0,132	-0,233	0,204	0,547	0,187	-0,151
B4	0,023	-0,013	-0,122	0,914	-0,087	0,040
B5	-0,002	-0,015	-0,091	0,883	-0,079	0,085
B6	0,139	0,063	-0,024	0,849	-0,219	0,010
C1		-0,265	0,132	0,018	-0,351	0,129
C2		-0,296	0,261	-0,091	-0,152	0,341
C3	-0,075	-0,002	-0,010	0,132	0,079	0,903
C4	0,120	-0,024	0,028	-0,006	0,064	0,824
C5	0,517	-0,152	0,047	-0,037	-0,248	0,325
C6	0,511	-0,056	-0,011	0,162	-0,129	0,306
C7	0,621	-0,046	0,051	0,019	-0,044	0,252
C8	0,820	0,052	0,068	0,126	-0,029	0,022
C9	0,710	0,088	0,106	0,096	0,043	0,099
C10	0,867	-0,005	-0,049	0,071	-0,007	-0,078
C11	0,779	-0,056	-0,023	0,026	0,245	-0,123
C12	0,152	-0,003	-0,072	0,112	0,600	0,495
C13		-0,159	-0,077	-0,110	0,411	-0,014
C14	0,415	-0,107	0,041	-0,037		0,220
C1_1	0,152	-0,079	0,828	0,093	-0,035	-0,162
C1_2	0,132	-0,011	0,904	0,002	-0,067	-0,134
C1_3	-0,050	0,006	0,893	-0,101	0,026	0,114
C1_4	-0,174	0,114	0,846	-0,025	0,019	0,109

Figure 9 Varimax Rotated Loadings

Figure 8 Initial Factor Loadings

	1	2	3	4	5	6
A1		0,442	0,082	0,127	0,108	0,145
A2		0,483	0,039	0,115	0,019	0,109
A3		0,497	0,061	0,056	0,096	0,144
A4		0,546	0,063	0,156	0,052	0,064
A5		0,505	0,108	0,136	0,073	0,012
A6		0,499	0,098	0,048	0,103	0,014
A7		0,533	0,065	0,061	0,130	0,003
A8		0,468	0,082	0,061	0,204	0,101
B1		0,020	0,234	0,555	0,225	0,145
B2		0,011	0,329	0,524	0,132	0,089
B3		0,076	0,111	0,427	0,041	0,187
B4	0,494	0,031	0,567	0,458	0,266	0,081
B5	0,493	0,046	0,533	0,457	0,230	0,112
B6		0,118	0,435	0,415	0,392	0,098
C1		0,167	0,175	0,241	0,359	0,126
C2		0,195	0,268	0,173	0,056	0,214
C3	0,469	0,396	0,217	0,034	0,355	0,543
C4		0,429	0,091	0,155	0,305	0,451
C5		0,277	0,083	0,291	0,188	0,203
C6		0,322	0,091	0,161	0,148	0,129
C7		0,357	0,031	0,226	0,091	0,023
C8		0,396	0,017	0,168	0,229	0,181
C9		0,416	0,033	0,124	0,115	0,143
C10		0,312	0,027	0,260	0,244	0,272
C11		0,240	0,013	0,192	0,027	0,401
C12	0,530	0,308	0,265	0,020		0,038
C13		0,184	0,018	0,264	0,196	0,394
C14		0,248	0,046	0,060	0,494	0,286
C1_1	0,421	0,109	0,633	0,430	0,118	0,076
C1_2	0,333	0,161	0,714	0,416	0,110	0,039
C1_3	0,257	0,209	0,722	0,388	0,111	0,110
C1_4	0,096	0,210	0,633	0,462	0,110	0,137

Figure 8 Initial Factor Loadings

Figure 8 shows the initial factor matrix. There was need for rotation because most of the items load in the first factor and the second factor does not have any items loading on it. Figure 9 and Figure 10 present the rotated factor matrices with variamax (orthogonal) and oblimin (oblique) rotation respectively. The rotated factor matrices agree on the way in which the items are correlated and the factors suggested thereof are summarised in Table 5 below.

Table 5 Factors that have an impact on staff retention

Factor 1 (factors that would encourage you to stay)
1. My medical aid benefits are adequate
2. My basic salary is adequate
3. I am praised and thanked for the work I do
4. The company gives good incentives and bonuses that are satisfactory
5. The bonus structure reflects my contribution to the company
6. My pension benefits are adequate
7. I am fairly compensated for the work that I do
8. Activities for team building helps the staff to get along
Factor 2 (factors that would encourage you to leave)
1. Relationship with my line manager in the company
2. Working conditions in the company
3. The company has my best interests at heart
4. Would leave for a promotion to another company
5. Would leave for a career change and growth
6. Would leave for more pay in another company
Factor 3 (retaining and satisfying employees)
1. Happy about training opportunities
2. Career development opportunities in the company
5. Number of workings hours required to work in a day
6. Unhappy about financial compensation
7. Changes and restructuring in the company
8. Trusted Communication with line management
9. Sufficient cultural diversity in the company
10. Support from the human resource department in the company
11. Opportunities to engage in different projects in the company
13. Happy about the working conditions in the company
Factor 4 (retaining and satisfying employees)
3. Unhappy about company policies
4. Unhappy about the job itself
Factor 5 (retaining employees)
12. Unhappy about training opportunities
14. When replying to automatic e mails does it take your time to be productive
Factor 6 (talent management)
1. The company regularly evaluate talent needs
2 The company has supportive information to create interest with qualified employees
3 Induction programmes are well structured to help employees settle in
4 When there is a vacant post the company gives first preference to the employees internally who are talented and qualified

4.3 Confirmatory Factor Analysis (CFA)

The purpose of this section is to confirm the factors identified under EFA. It is worth noting that the Cronbach's Alpha, KMO and the Bartlett's test of Sphericity for CFA led to the same conclusions as under EFA.

Table 6 Number of factors to be retained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.787	36.835	36.835	11.787	36.835	36.835
2	3.518	10.995	47.829	3.518	10.995	47.829
3	3.131	9.784	57.613	3.131	9.784	57.613
4	2.659	8.309	65.922	2.659	8.309	65.922
5	1.659	5.184	71.106	1.659	5.184	71.106
6	1.344	4.200	75.307	1.344	4.200	75.307
7	.940	2.937	78.244			
...	...	...	...	...	...	...
32	.051	.158	100.000			

Using the Kaiser's rule of eigenvalues greater one, Table 6 shows that there are six retainable factors accounting for about 75% of the total variation (Leech et al., 2015). The results are similar to those of EFA.

Figure 11 Initial Factor Loadings

	1	2	3	4	5	6
A1	[obscured]	0,442	0,082	0,127	0,108	0,145
A2	[obscured]	0,483	0,039	0,115	0,019	0,109
A3	[obscured]	0,497	0,061	0,056	0,096	0,144
A4	[obscured]	0,546	0,063	0,156	0,052	0,064
A5	[obscured]	0,505	0,108	0,136	0,073	0,012
A6	[obscured]	0,499	0,098	0,048	0,103	0,014
A7	[obscured]	0,533	0,065	0,061	0,130	0,003
A8	[obscured]	0,468	0,082	0,061	0,204	0,101
B1	[obscured]	0,020	0,234	0,555	0,225	0,145
B2	[obscured]	0,011	0,329	0,524	0,132	0,089
B3	[obscured]	0,076	0,111	0,427	0,041	0,187
B4	0,494	0,031	[obscured]	0,458	0,266	0,081
B5	0,493	0,046	[obscured]	0,457	0,230	0,112
B6	0,475	0,118	[obscured]	0,415	0,392	0,098
C1	[obscured]	0,167	0,175	0,241	0,359	0,126
C2	[obscured]	0,195	0,268	0,173	0,056	0,214
C3	0,469	0,396	0,217	0,034	0,355	[obscured]
C4	[obscured]	0,429	0,091	0,155	0,305	0,451
C5	[obscured]	0,277	0,083	0,291	0,188	0,203
C6	[obscured]	0,322	0,091	0,161	0,148	0,129
C7	[obscured]	0,357	0,031	0,226	0,091	0,023
C8	[obscured]	0,396	0,017	0,168	0,229	0,181
C9	[obscured]	0,416	0,033	0,124	0,115	0,143
C10	[obscured]	0,312	0,027	0,260	0,244	0,272
C11	[obscured]	0,240	0,013	0,192	0,027	0,401
C12	0,530	0,308	0,265	0,020	[obscured]	0,038
C13	[obscured]	0,184	0,018	0,264	0,196	0,394
C14	[obscured]	0,248	0,046	0,060	0,494	0,286
C1_1	0,421	0,109	[obscured]	0,430	0,118	0,076
C1_2	0,333	0,161	[obscured]	0,416	0,110	0,039
C1_3	0,257	0,209	[obscured]	0,388	0,111	0,110
C1_4	0,096	0,210	[obscured]	0,462	0,110	0,137

Figure 12 Varimax Rotated Loadings

	1	2	3	4	5	6
A1	[obscured]	0,241	0,113	0,041	-0,083	0,069
A2	[obscured]	0,212	0,184	-0,046	0,029	0,096
A3	[obscured]	0,124	0,134	0,065	0,080	0,148
A4	[obscured]	0,228	0,105	-0,002	0,006	0,016
A5	[obscured]	0,273	0,102	0,049	0,038	-0,046
A6	[obscured]	0,174	0,131	0,100	0,170	0,053
A7	[obscured]	0,133	0,121	0,055	0,186	0,044
A8	[obscured]	0,055	0,347	0,127	0,296	-0,016
B1	0,226	0,026	0,657	0,218	0,465	0,094
B2	0,228	0,031	0,706	0,116	0,362	0,097
B3	0,349	0,193	0,586	0,230	0,267	-0,079
B4	0,139	0,164	0,586	-0,110	-0,017	0,094
B5	0,137	0,153	0,859	-0,079	-0,010	0,135
B6	0,078	0,273	0,814	-0,017	-0,131	0,062
C1	0,362	[obscured]	0,093	0,166	-0,172	0,151
C2	0,370	[obscured]	0,011	0,294	0,002	0,345
C3	0,051	0,232	0,202	0,008	0,159	[obscured]
C4	0,086	0,385	0,082	0,053	0,172	[obscured]
C5	0,239	[obscured]	0,040	0,078	-0,086	0,321
C6	0,176	[obscured]	0,227	0,020	0,030	0,311
C7	0,172	[obscured]	0,101	0,084	0,123	0,257
C8	0,121	[obscured]	0,193	0,102	0,156	0,051
C9	0,073	[obscured]	0,163	0,135	0,207	0,118
C10	0,163	[obscured]	0,142	-0,010	0,175	-0,046
C11	0,202	[obscured]	0,114	0,020	0,402	-0,085
C12	0,093	0,215	0,210	-0,036	[obscured]	0,481
C13	0,272	[obscured]	0,007	-0,027	0,552	0,010
C14	0,217	0,385	0,087	0,087	[obscured]	0,231
C1_1	0,180	0,225	0,128	[obscured]	0,033	-0,110
C1_2	0,104	0,203	0,032	[obscured]	-0,009	-0,092
C1_3	0,054	0,076	-0,060	[obscured]	0,058	0,127
C1_4	-0,065	-0,061	-0,015	[obscured]	0,017	0,117

Figure 13 Oblimin Rotated Loadings

	1	2	3	4	5	6
A1	0,028	[obscured]	-0,006	0,017	-0,176	0,029
A2	0,000	[obscured]	-0,101	0,077	-0,064	0,053
A3	-0,111	[obscured]	0,013	0,017	0,003	0,109
A4	0,034	[obscured]	-0,058	-0,010	-0,089	-0,032
A5	0,114	[obscured]	-0,007	-0,012	-0,064	-0,100
A6	-0,011	[obscured]	0,044	0,006	0,082	0,003
A7	-0,043	[obscured]	-0,002	-0,004	0,108	-0,005
A8	-0,064	[obscured]	0,078	0,035	0,239	-0,068
B1	-0,049	-0,107	0,197	[obscured]	0,417	0,038
B2	-0,062	-0,116	0,096	[obscured]	0,313	0,042
B3	0,132	-0,233	0,204	[obscured]	0,187	-0,151
B4	0,023	-0,013	-0,122	[obscured]	-0,087	0,040
B5	-0,002	-0,015	-0,091	[obscured]	-0,079	0,085
B6	0,139	0,063	-0,024	[obscured]	-0,219	0,010
C1	[obscured]	-0,265	0,132	0,018	-0,351	0,129
C2	[obscured]	-0,296	0,261	-0,091	-0,152	0,341
C3	-0,075	-0,002	-0,010	0,132	0,079	[obscured]
C4	0,120	-0,024	0,028	-0,006	0,064	[obscured]
C5	[obscured]	-0,152	0,047	-0,037	-0,248	0,325
C6	[obscured]	-0,056	-0,011	0,162	-0,129	0,306
C7	[obscured]	-0,046	0,051	0,019	-0,044	0,252
C8	[obscured]	0,052	0,068	0,126	-0,029	0,022
C9	[obscured]	0,088	0,106	0,096	0,043	0,099
C10	[obscured]	-0,005	-0,049	0,071	-0,007	-0,078
C11	[obscured]	-0,056	-0,023	0,026	0,245	-0,123
C12	0,152	-0,003	-0,072	0,112	[obscured]	0,495
C13	[obscured]	-0,159	-0,077	-0,110	0,411	-0,014
C14	0,415	-0,107	0,041	-0,037	[obscured]	0,220
C1_1	0,152	-0,079	[obscured]	0,093	-0,035	-0,162
C1_2	0,132	-0,011	[obscured]	0,002	-0,067	-0,134
C1_3	-0,050	0,006	[obscured]	-0,101	0,026	0,114
C1_4	-0,174	0,114	[obscured]	-0,025	0,019	0,109

Figure 11 Initial Factor Loadings   Figure 12   Varimax Rotated Loadings   Figure 13 Oblimin Rotated Loadings

The results shown in Figure 11 to Figure 13 show that CFA is in agreement with EFA. As such the factors identified in Table 5 are retained as is.

Section D: Return on Investment (ROI)

Graph 4.5 Comparison of results over a period of 2 years based on Return on Investment (ROI)
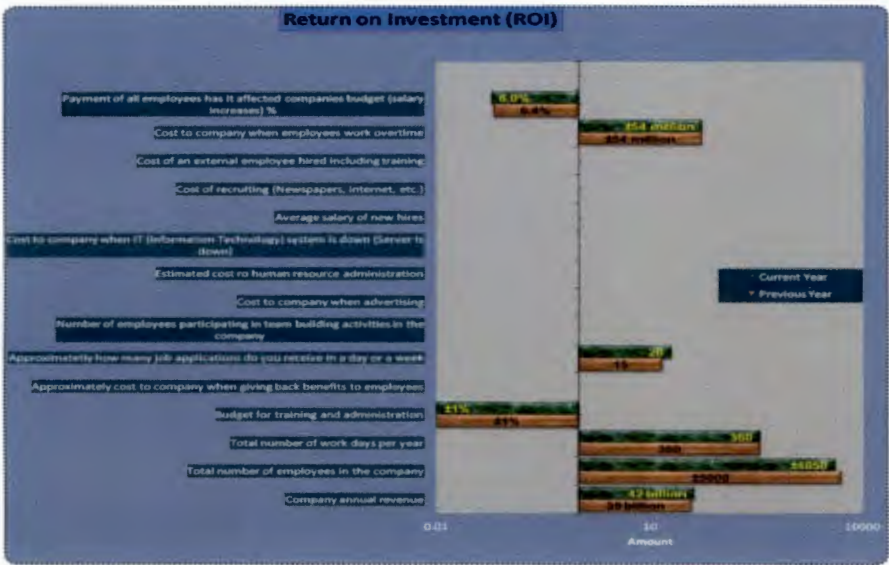
The results in Graph 4.5 on Comparison of results over a period of 2 years based on Return on Investment (ROI) have shown that the selected organisation's return on investment fluctuates as they have different challenges each year.

4.4 Conclusion

This chapter reported on data analysis, research findings and discussions of the research findings. Based on the research questions that were distributed to the organisation.

CHAPTER 5

CONCLUSION, RECOMMENDATIONS, AND LIMITATIONS

5.1 Introduction

This chapter covers the conclusion, recommendations and limitations regarding the factors relating to the retention of talented and skilled employees at the Information and Communication Technology Company (ICT) in Gauteng Province.

The following research objectives and four hypotheses were formulated to provide a guide for the study:

5.2 Specific objectives:

The specific objectives of this research are the following:

• To recommend processes that information and communication technology companies could implement in order to motivate their employees to perform better even if they are faced with internal and external challenges.

• To determine factors that have an impact on staff retention from identified internal and external challenges towards retaining employees in the information and communication technology companies.

• To make recommendations on effective retention strategies that the company could use to retain employees

5.3 Testing of hypothesis

Research hypothesis 1: Incentivizing performance promotes staff retention

The above statement is true based on the items that indicate why the employees would stay in the organisation if they received incentives for their performance (Figure 4.4).

Research hypothesis 2: Talent Management improves performance and encourages staff retention

The above statement is true based on the items that measure talent management (Figure 4.7).

Research hypothesis 3: Staff retention is improved when the retention strategy is continuously reviewed

The above statement could not be confirmed as the organisation does not have retention strategies in place.

Research hypothesis 4: Lack of skills development negatively affects staff retention

The above statement is true based on the items that would make employees leave that measure skills development opportunities (Figure 4.5 and Figure 4.6).

5.4 Literature

The main focus of the present research on staff turnover and retention of skilled and talented employees, employee turnover is a critical aspect for researchers. It provides adequate guidance to organisations as to the reasons why employees leave the organisation and also identifies the reasons why employees would stay in the organisation. According to Werner and Desimone (2009: 404), it is essential that individual employees and the organisations develop an understanding of the career development in today's ever changing global world, so that the Information and Communication Technology industry (ICT) can retain skilled and talented employees. In most cases employees tend to be assertive and vocal about their needs, they desire control over their private lives and also professional obligations.

According to Schuler and Jackson (2006: 310), the best competitors use training and development practices, and following retention policies to improve the efficacy of the workplace so that they can implement strategies that would give the organisation a positive capacity to retain their skilled and talented employees. The specific Information Communication and Technology (ICT) Company could embrace the recommendations derived from the questionnaires to guide them in the future in improving their current retention strategies. Improving the competence of the workforce is one way through which career development could create a competitive advantage, and career development can be perceived as a means by which employers address employees' needs. Looking at these two points of view, offering career development opportunities in the workplace helps employees to develop their own personal competitive advantage and ensure their

long-term employability and, as a result, there would be reduced staff turnover and the same would stem a lack of staff retention of skilled and talented employees in the company.

5.5 General Recommendations

Staff retention may be higher in many divisions of the Information and Communication Technology Company (ICT) because of factors such as the commitment that employees may have to the service they are providing:

- Understand why employees leave. All divisions in the organisation should conduct a confidential face-to-face exit interview with an HR manager (rather than the line manager).
- Benchmark the divisions against current industry standards and geographical location.
- Set clear promotion and development guidelines that are transparent and fair.
- Develop effective workplace, retention policies and nurture a positive culture. Polices and all benefits should be communicated to staff and employees would feel confident about reporting their problems.
- Invest in people management training for line managers. This would enable them to not only support and reward staff effectively but also make the working relationship with employees effective and positive.

5.6 Limitations

There are some limitations in conducting the research about the factors relating to the retention of talented and skilled employees at the Information and Communication Technology Company (ICT).

Limitation of methodology

- Lack of communication with employees
- Lack of retention policies in the organisation
- Lack of employee benefits
- Lack of employee engagement in issues that affect their job performance
- Lack of employee performance bonuses
- Financial problems in the Information and Communication Technology Company (ICT)

5.7 Conclusion

Conclusions regarding the above objectives are based on the results and findings discussed in Chapter five, in all the sections. Recommendations are also provided on the way forward with reference to these conclusions. Moreover, possible areas of research regarding factors relating to the retention of skilled employees in an information and communication technology (ICT) company are identified.

The present study provided an insight into the factors relating to the retention of talented and skilled employees at the Information Communication and Technology Company (ICT) as well as their ultimate competitiveness. It is apparent that for an organisation to be competitive, it needs to offer quality service to the employees. Thus it can be concluded that high levels of employee turnover have a negative impact on the quality of service and the desired competitiveness of an establishment at the Information Communication and Technology Company (ICT). The main contribution of this present study was on the confirmation that turnover and retention factors encourage employees to leave or stay in the Information Communication and Technology Company (ICT) in South Africa, as well as their current level of employee satisfaction within the organisational practices and support from line management.

On the methodological point of view, the research provides evidence that the new talent retention diagnostic tool is a valid and reliable measure to determine factors that contribute to the retention of skilled and talented employees in South African ICT Companies. From a practical point of view, the research highlights the following turnover risks and potential retention factors that the selected organisation should attend to if they want to retain their skilled and talented employees: fair compensation, emotional recognition, a bonus structure would be applicable to all employees in all levels, improved properly implementation of performance management systems, regular feedback to employees on their job performance, promotional opportunities for employees, talent management policies, development retention policies and career development opportunities in the organisation.

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Questionnaire

Dear Respondent

My name is Katlego Kgothatso Tlholoe. I am a postgraduate student in the Department of

Industrial Psychology at the North West University. I am conducting a research in the area

of employee retention and talent management.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes and all information provided by you will be treated confidentially hence your name and that of your organisation are not required. Thank you for your co-operation

Demographic Information

Please mark (X) as appropriate

1. Gender

Male	Female

2. Date of birth

Age	Month	Year

3. Highest educational qualification

Matriculation	Degree	Postgraduate Diploma/Degree	Other

4. Present position in the organisation

EMPLOYEE RETENTION SURVEY

The purpose of this survey is to determine the factors that may influence you to stay in the Company you are working in. Please complete all the statements as it applies to you.

SECTION A: FACTORS THAT WOULD ENCOURAGE YOU TO STAY

Cross one of the six categories from Strongly disagree (1) to Strongly agree (6) for each statement as it applies to you						
Statements	**Strongly disagree** **1**	**Disagree** **2**	**Slightly disagree** **3**	**Slightly agree** **4**	**Agree** **5**	**Strongly Agree** **6**
1. My medical aid benefits are adequate						
2. My basic salary is adequate						
3. I am praised and thanked for the work I do						
4. The company gives good incentives and bonuses that are satisfactory						
5. The bonus structure reflects my contribution to the company						
6. My pension benefits are adequate						
7. I am fairly compensated for the work that I do						
8. Activities for team building helps the staff to get along						

THANK YOU

The purpose of this survey is to determine the factors that may influence you to leave the Company you are working in. Please complete all the statements as it applies to you.

SECTION B: FACTORS THAT WOULD ENCOURAGE YOU TO LEAVE

Cross one of the six categories from Strongly disagree (1) to Strongly agree (6) for each statement as it applies to you						
Statements	**Strongly disagree** **1**	**Disagree** **2**	**Slightly disagree** **3**	**Slightly agree** **4**	**Agree** **5**	**Strongly Agree** **6**
1. Relationship with my line manager in the company						
2. Working conditions in the company						
3. The company has my best interests at heart						
4. Would leave for a promotion to another company						
5. Would leave for a career change and growth						
6. Would leave for more pay in another company						

THANK YOU

The purpose of this survey is to determine the factors that the company can improve on to Retain and satisfy the employees. Please complete the statements as they apply to you

SECTION C: RETAINING AND SATISFYING EMPLOYEES

Cross one of the six categories from Strongly disagree (1) to Strongly agree (6) for each statement as it applies to you						
Statements	**Strongly disagree** 1	**Disagree** 2	**Slightly disagree** 3	**Slightly agree** 4	**Agree** 5	**Strongly Agree** 6
1. Happy about training opportunities						
2. Career development opportunities in the company						
3. Unhappy about company policies						
4. Unhappy about the job itself						
5. Number of workings hours required to work in a day						
6. Unhappy about financial compensation						
7. Changes and restructuring in the company						
8. Trusted Communication with line management						
9. Sufficient cultural diversity in the company						
10. Support from the human resource department in the company						
11. Opportunities to engage in different projects in the company						
12. Unhappy about training opportunities						
13. Happy about the working conditions in the company						
14. When replying to automatic e mails does it take your time to be productive						

THANK YOU

The purpose of this survey is to determine the factors that the company can improve on to manage talent. Please complete the statements as they apply to you

SECTION C 1: TALENT MANAGEMENT

Cross one of the six categories from Strongly disagree (1) to Strongly agree (6) for each statement as it applies to you						
Statements	**Strongly disagree** **1**	**Disagree** **2**	**Slightly disagree** **3**	**Slightly agree** **4**	**Agree** **5**	**Strongly Agree** **6**
1. The company regularly evaluate talent needs						
2 The company has supportive information to create interest with qualified employees						
3 Induction programmes are well structured to help employees settle in						
4 When there is a vacant post the company gives first preference to the employees internally who are talented and qualified						

THANK YOU

SECTION D: RETURN ON INVESTMENT (ROI)

The purpose of this survey is to help the Managers realise their costs and losses in the company and to also help them to manage their finances in the company

PLEASE NOTE THIS SECTION IS FOR MANAGERS ONLY

	Questions	Answers in numbers and percentages where applicable	
		Previous Year	Current Year
Step 1	• Company annual revenue		
	• Total number of employees in the company		
	• Total number of work days per year		
	• Budget for training and administration		
Step 2	• Approximately cost to company when giving back benefits to employees (bonuses)		
Step 3	• Approximately how many job applications do you receive in a day or a week		
	• Number of employees participating in team building activities in the company		
	• Cost to company when advertising		
Step 4	• Estimated costs to human resource administration		
Step 5	• Cost to company when IT (Information Technology) system is down (server is down)		
Step 6	• Average salary of new hires		
	• Cost of recruiting (newspapers, internet etc.)		
Step 7	• Cost of an external employee hired including training		
	• Cost to company when employees work overtime		
Step 8	• Payment of all employees has it affected companies budget (salary increases) (%)		

THANK YOU