**Archives of Business Research – Vol. 11, No. 4**
**Publication Date:** April 25, 2023
**DOI**:10.14738/abr.114.14414.
El Alam, Y., & Belkasseh, M. (2023). The Professional and Academic Literature Review: A Framework for Retention Strategies Adopted by Bank Managers. Archives of Business Research, 11(4). 103-128.

SERVICES FOR SCIENCE AND EDUCATION

# The Professional and Academic Literature Review: A Framework for Retention Strategies Adopted by Bank Managers

**Younes El Alam**
Hassan First University of Settat, ENCG, LARFAGO Laboratory,
Kingdom of Morocco

**Mohammed Belkasseh**
Hassan First University of Settat, ENCG, LARFAGO Laboratory,
Kingdom of Morocco

## ABSTRACT

**Banks' implementation of managerial strategies motivating teams and addressing employees' needs tends to lower their organization turnover. Certain bank human resource managers are challenged with finding processes for the purpose of lowering the turnover rate. The academic study of employee retention has identified some constant elements that retain workers with the same organization throughout time. The purpose of this study is to inquire into the methods utilized by banking executives to keep their best workers on board. In this paper, the author will discuss, through the existing academic literature, the framework for the topic of employee turnover by conducting a comprehensive review. The key words we searched for in the literature include job satisfaction, job dissatisfaction, motivation theories, extrinsic and intrinsic factors, skilled human resource management, the difficulties of retaining key employees, effective methods for doing so, employee attrition, and Herzberg's two-factor theory. Four major themes were discussed in the literature review, supported by the motivation (intrinsic factors)-hygiene (extrinsic factors) theory, comprising: conceptual frameworks, what drives people to work, what keeps them there, and how to reduce staff turnover.**

**Keywords:** Herzberg's Motivation-Hygiene, Employee Motivation, Employee Retention Strategies, Employee Turnover, Branded Employer.

## INTRODUCTION

The author of this study is presenting a framework for the topic of employee turnover by conducting a comprehensive literature review using a wide range of scholarly libraries, databases, and books available to the public. Four major themes were discussed encompassing: conceptual frameworks, what drives people to work, what keeps them there, and how to reduce staff turnover. Each primary theme is branched into sub-themes. The conceptual framework theme contains (a) related theories and historical literature, (b) Herzberg's motivation-hygiene theory, and (c) proponents and detractors of Herzberg's theory. Employee motivation theme encompasses (a) an appreciation for employees' perspectives, (b) opportunities for social interaction, (c) support for professional growth, and (d) control over one's own expectations. Employee retention strategies' theme encompasses (a) branded employer, (b) manager skill

development, (c) effective recruiting, (d) induction programs, (e) internal talent investment, (f) connect employee efforts to results on the workplace, (g) challenges in keeping employees, and (h) retention strategies development. Finally, the employee turnover theme includes (a) turnover causes, (b) costs of turnover, (c) organizational commitment, and (d) organizational commitment in financial institutions.

## BACKGROUND OF THE PROBLEM

Poor accounting, government regulatory, and financial oversight of large financial institutions were all laid bare by the 2008 global financial crisis, which shook the very foundations of the world's financial system. A new definition of sustainable strategic banking may be found in the innate characteristics of bank leaders, especially in the way those leaders make decisions (Donaldson, 2012). Organization managers primary roles remain in the retention of skilled workforce and the minimization of the turnover costs (Dinger et al. 2012). Organization turnover costs surpasses retention costs (Guilding et al. 2014). Nevertheless, various authors of organizational studies tend to focus on turnover instead of highlighting retention (George, 2015). The emotional and financial costs to businesses from employee turnover are substantial (Shah, 2014). As such, to keep their teams happy, organizations' top governing body must address retention issues (George, 2015). To remain relevant in the industry, managers must adopt strategies to attract, hire, cultivate, and retain stable skilled and talented employees (Oladapo, 2014).

The employee turnover is a challenging concern, for many years, and has drawn much attention from organizations, in all industries, because of the high costs involved in the replacement of employees who quit, and the recruitment and training of new ones (Heavy et al. 2013). Excessive research has been conducted and is accessible to support organizational leaders in recognizing motivators that influence job satisfaction. Mohlala et al. (2012) explained continuous organizational restructuring as well as relying on old technologies, in addition to lack of senior management empowerment by their superiors to manage salary, rewards, and bonus matters, are some of the most difficult obstacles to overcome when developing plans to keep talented workers on staff. However, managers also need to consider other important influencing motivational factors when designing retention strategies, as suggested by Samuel (2013). Training, encouragement, recognition, and a general feeling of appreciation and appreciation for employees' efforts go a long way toward ensuring their continued satisfaction and loyalty to the company.

Finally, when businesses lose employees, they often must spend more money on training and orientation to replace them (Grzenda & Buczynski, 2015). The cost of replacing an employee is typically between 10 and 20 percent of their annual salary (Nagabhaskar, 2014). It is critical, therefore, to better understand the adequate strategies business managers should use to improve employee retention.

## CONCEPTUAL FRAMEWORK

The factors of job satisfaction and motivation that led me to investigate the retention strategies needed to prevent bank employees from planning to leave their current positions. Therefore, the two-factor theory of Herzberg, Mausner, and Snyderman (1959) serves as the conceptual framework for this study to possibly understand the retention strategies that some bank

managers use to improve employee retention. Leaders in every organization must understand what makes workers happy in their position as well as the factors that may affect their decisions about whether to remain with the company. Herzberg, Mausner, and Snyderman's (1959) two-factor theory provides the theoretical underpinnings for understanding the factors that contribute to either high or low levels of job satisfaction among workers. Both are potential influences on employees' decisions about whether to remain with the company. Accounting and engineering professionals were interviewed for the original 1959 study by Herzberg and colleagues to determine what factors led to job satisfaction and dissatisfaction. Workers' motivation and dissatisfaction could be affected by factors such as job satisfaction and salary (Herzberg, Mausner, & Snyderman, 1959). As a result, the authors zeroed in on the ways in which businesses can facilitate the development and success of their staff. Employee retention and reduced turnover can be achieved directly through job satisfaction, motivation, and open lines of communication (Herzberg et al., 1959).

Herzberg, Mausner, and Snyderman (1959), regarded as the most applicable theory grounding this study, recognized as the motivation (intrinsic factors)-hygiene (extrinsic factors) theory, includes the root causes for both employee happiness and discontentment on the job. Both are potential influences on whether an employee decides to stay with the company. The initial research from 1959 was conducted by Herzberg and co-authors, who analyzed survey responses and in-depth interviews with CPAs and engineers to determine what characteristics contributed to job satisfaction. Workers' motivation and unhappiness could be affected by factors such as job satisfaction and salary (Herzberg, Mausner, & Snyderman, 1959). As a result, the authors zeroed in on how businesses might best facilitate employee development and progress. Factors such as job contentment, intrinsic motivation, and open lines of communication have been linked to lower turnover rates and greater organizational stability (Herzberg et al., 1959). As illustrated in the literature review, the chosen theory, when examined in different situations, was vastly supported by scholars, and received some reasonable criticisms.

## THE PROFESSIONAL AND ACADEMIC LITERATURE REVIEW

Our goal in conducting this qualitative, exploratory, single-case study is to learn more about the retention techniques adopted by several bank managers. We conducted this study using a wide range of scholarly libraries, databases, and books available to the public. Examples of such databases include ABI/INFORM Global, Business Source Complete, and ProQuest. In what follows we will provide the framework for the topic of employee turnover by conducting a comprehensive review. Four major themes were discussed comprising: conceptual frameworks, what drives people to work, what keeps them there, and how to reduce staff turnover. Each primary theme is branched into sub-themes. Figure 1 shows an illustration of the study researched topics in a respective order:


**URL:** http://dx.doi.org/10.14738/abr.114.14414.




**Figure 1- Literature review of the study researched topics.**

## Relevant Theories and Historical Literature

To succeed, businesses must ensure that their employees are happy with their work (Gesinde & Adejumo, 2012; Obineli, 2013). Several theories were developed by Maslow (1943) and Alderfer (1972) to deepen the understanding of employees' job satisfaction according to their job characteristics. The scholars of these studies recognized the increasing significance of understanding the needs and motives in human actions. Consequently, researchers attempted to present the core understanding of factors that motivate and satisfy individuals at work (Zhilla, 2013). Lawler (1968) introduced the expectancy theory suggesting a model of valence, expectancy, and instrumentality. Taylor (1967) discussed the direct impact of incentive systems on individual's motivation. Whereas Likert (1961) stressed the participation of employees in the decision making, Locke and Latham's (1976) partially used Taylor's (1967) work to introduce goal setting & task performance theory of motivation.

Among prominent theories that have been used in similar studies to explore the researched topics, we found and will discuss Maslow's (1943) hierarchy of needs theory, McGregor (1957) viewpoints about theory X and theory Y, Herzberg et al.'s (1959) motivation-hygiene theory, McClelland's (1961) theory of needs, Vroom (1964) linking individuals' efforts and motivation with their beliefs about specific expectations and rewards, Adams's equity theory (1965), Locke's (1969) goal-setting theory, Alderfer's (1972) theory of needs, Locke's (1976) range of affect theory, Hackman and Oldham's (1976) in which the authors illustrate the relationship between job characteristics, equity expectation, and individual responses to assigned tasks, and

finally Lent and Brown (2006) Social cognitive career theory, in which the authors integrate individual and situation perspectives on job satisfaction.

**Maslow's (1943)** motivation theory, used fundamentally by many scholars whose topics of interest are related to job satisfaction. In this theory, the author classifies, in a hierarchy, five basic human needs and related these needs to general behavior. At the bottom of the hierarchy, we find: (a) psychological needs, also called basic needs (food, water, shelter, etc.). Lack of satisfying elements of this need category drives people to satisfy them elsewhere (Hanif, Khalid & Khan 2013); then comes (b) safety needs (emotional security, social stability, financial security, wellbeing, etc.,); the fulfillment of these two needs are followed by (c) belongingness (the need of establishing and maintaining harmonious interpersonal relationships with others, and social recognition status); then (d) self-esteem needs (type (i) esteem for oneself: dignity, achievement, and independence, and type (ii) the desire for respect and good reputation from others: status and prestige); and finally comes the ultimate category of needs in the hierarchy, that is (e) self-actualization; described as the ultimate experiences maximizing and fulfilling an individual's growth potential. Even though the hierarchy of needs theory has received a reasonable number of critics by some scholars assessing that Maslow's theory did not include cultural effects, Kaur (2013), Nain (2013), Adiele & Abraham (2013), and Taormina & Gao (2013), among many other scholars, used the theory in a multi-study, in which the topics of interest were employee motivation and satisfaction.

**McGregor (1957)** Theories X and Y were first articulated in his article, "The Human Side of Enterprise," McGregor (1957), which he developed later into a book carrying the same name (McGregor, 1960). Nevertheless, McGregor's (1960) assumption that it is well-known and embraced by management scholars, as well as by organizational managers that workers do better when managed by those that encourage autonomy and initiative. Douglas McGregor' valuable addition to research studies focused on motivation in the workplace is embedded in the author's pertinent recognition of intrinsic and extrinsic factors that impact employees' job satisfaction. Organization managers challenges do not revolve around employees' inabilities, but in management's lack of identification and recognition of their existing competencies, as well as their lack of comprehension on how to influence employees' morale and behavior (McGregor, 1960). Litwin and Stringer (1968) and McGregor (1966) stress the vital role of organizational leaders to identify and address the different employees' needs to increase motivation and enhance their job satisfaction.

McGregor (1957) Theory X and Theory Y are based on Maslow's (1943) hierarchy of needs previously discussed. Type X individuals, according to McGregor's, are lazy, passive, irresponsible, and low achievers. Naturally, this type of individuals is extrinsically motivated; only motivated by rewards or punishments (Gilstrap, 2009; Robbins et al., 2013). Managers tend to adopt a pessimistic perception of type X employees and assess that they need to micro-manage this type for them to deliver on the assigned tasks (Buckingham, 2010). Oddly, type X employees prioritize security over job satisfaction, which make this type of people associate with Maslow's lower order of needs.

Conversely, McGregor's in his description of theory Y assumes that this type of employees is intrinsically motivated; self-motivated, active, ambitious, responsible, problem-solvers,


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

appreciate their work, and self-sufficient (Hodgetts & Hegar, 2008; Robbins et al., 2013). Additionally, they constantly seek growth and development opportunities while excelling in achievement of organizational tasks (Beriberian, 2008; Nelson & Quick, 2011). Thus, they are high-achievers and associate with Maslow's higher level of needs. Consequently, managers tend to adopt an optimistic perception of type Y employees are expected to be collaborative and consultative in their management style. More so, they are inclined to advance self-direction, self-motivation, employee empowerment in managing this type of employees to enhance their performance, while enabling them to satisfy their upper-level needs and increase their satisfaction (Buckingham, 2010; Gilstrap, 2009; Hodgetts & Hegar, 2008).

To conclude, Theory X and Theory Y are one of the most prominent concepts contributing to understanding motivational factors that may influence employees' job satisfaction, and managers must show respect, support, and reward their employees equitably to maximize employees' efficiency, productivity, and job satisfaction (Hrobowski-Culbreath, 2010). Relevant to our research, Theory X and Theory Y support our chosen theoretical framework of Herzberg's motivational concept emphasizing the internal (intrinsic) and external (extrinsic) motivating factors that impact employees' job satisfaction, which is one of the most pivotal roles of human resource management.

**In 1959, Herzberg, Mausner and Snyderman** revolutionized and challenged the conventional viewpoint of job satisfaction model by establishing a new motivator-hygiene theory. In fact, Herzberg is confirmed as a prominent theorist in research field supporting the deep understanding of intrinsic, extrinsic motivators, and job satisfaction within a work environment (Bassette-Jones & Loyds, 2005). Two categories of needs; extrinsic (such as food and shelter) and intrinsic (such as autonomy and recognition) were identified by Herzberg et al. (1959). Herzberg and his colleagues posited that positive aspects of job satisfaction evolved from recognition, personal development, growth opportunities, and the job responsibilities. However, lack of these factors does not lead to job dissatisfaction though it leads to no job satisfaction. Conversely, negative aspects revolved around working conditions, salary, social interactive relations, job security, supervision, organization policies, and administration. In other words, the absence of extrinsic motivators correlates with job dissatisfaction. However, it has no relation with job satisfaction. Herzberg et al.'s (1959) explained dissatisfaction and contentment were not opposite values of the same causes, but rather distinct mental constructs influenced by distinct sets of circumstances.

**McClelland (1961)** pinpointed, in the same direction of Maslow's (1943) motivation and needs theoretical viewpoint, three motivation factors (called needs) that form individuals' characteristics and that one of these factors (needs) is a dominant driver for an individual motivation, these needs are: (a) achievement, (b) affiliation, and (c) power (also called acquired or learned needs). In this theory, McClelland suggests that people acquire these needs throughout their lifetime, and they are motivated by a mixture of their learned three needs: achievement, power, and affiliation. The achievers constantly seek to excel, the power-seekers want to have control and authority, whereas the affiliation-seekers are more socially oriented, prefer harmonious relationships, and more concerned about unconscious need for establishing, developing, maintaining, and restoring close interpersonal relationships with others. McClelland 's perspective was discovered after many years of research leading the author to

conclude that leaders who get promoted are likely the ones who demonstrate high ambitions for achievement and low desire for power.

High achievement derives from the longing for expert knowledge, the ability of planning, and sense of autonomy (Nelson & Quick, 2011). Whereas low achievement derives from culture, parents' values, upbringing, and education of an individual (McClelland, 1961). However, power seekers are internally driven by a need to control and have authority over people. There exist two types of people seeking to satisfy their power needs, none of them is afraid of conflicts and both have the willingness to confront people; type (a) socialized power seekers with a desire to control positively a large group of people for the greatest benefits of all, and type (b) personalized power seekers with a desire to control others negatively based on personal benefits (Lamberton & Minor, 2010; Nelson & Quick, 2011). Conversely, affiliation need seekers tend to connect positively with people, they avoid conflicts and strive to be accepted and liked by others, and are motivated by mutual sharing (Daft, 2007; Lamberton & Minor, 2010; Nelson & Quick, 2011). These types of people are not recommended as adequate manager profiles because they lack delegating skills and leadership abilities. Instead, they prefer to complete the jobs themselves (Lamberton & Minor, 2010; Robbins et al., 2013). Additionally, McClelland contends that motivation levels are not fixed and fluctuates based on the job title of the employee within the organization (De Long, 2010). McClelland further asserted an individual's behavior can be predicted based on their learned needs (Royle & Hall 2012).

**Vroom (1964)** alleged that individual performance, according to his expectation theory, is conditioned with their value perception of the expected rewards and their employer's promised outcomes (e.g., promotions, monetary awards, and acknowledgement); an individual is unlikely to be motivated to deliver positive expected outcome or exceed performance standards if the promised rewards to be received are not worth the effort. Vroom claims employees put their maximum potential in the job based on their perception of fairness of assessment, recognition, and rewards. This hypothesis provided a framework for numerous researchers interested in understanding motivation and job satisfaction (Zhu, 2012). According to Estes and Polnick (2012), a teacher's performance depends on their judgment of the worth of the anticipated benefits from their employer. In a similar study, Yuan et al. (2013) determined that teachers were unmotivated to innovate and develop instructional approaches because they were not offered a monetary incentive.

**Adams (1965)** inequity in social exchange, also known as equity theory, the author states that it is the perception of equitability and in-equitability that motivates individuals to work; individuals compare their job's inputs with the outcome's ratio. Adams contend that individuals expect fair compensation for inputs across all the workers they are part of, that is if managers want them to stay motivated. Otherwise, their motivation diminishes. The author further affirms people tend to fix a perceived in-equalities when it exists; employees may reduce the quality of their work and lower productivity when they notice unfairness at the workplace. Furthermore, when employees sense inequity at the workplace conflicts arises and individuals become frustrated, distressed, anxious, dissatisfied, less productive, and less motivated (Robbins & Judge, 2007). Conversely, their motivation and satisfaction increase when they perceive a fairness of outcomes. Gemeda and Tynjala (2015) concluded that the teachers' perception of in-equitable and unfair outcomes (salary) compared to their inputs and


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

compared to the inputs of other professions, led to a decrease in motivation and a loss of interest in providing superior teaching quality. Consequently, teachers' perceived unfairness drove them to claim reasonable pay. In Adams theory, however, the author fell short in illustrating what causes the inequity feelings and failed to consider how those feelings may differ from an individual to another.

**In Locke's (1969)** view of goal setting theory, the author claims physical constraints regulate the most fundamental level of goal-directed action (plants). Next, lower-level animals develop the ability to consciously regulate their own behavior through sensory-perceptual systems like pleasure and pain. Only humans have access to a higher level of consciousness, the capacity for reason. They can imagine outcomes and determine targets for the future. The capacity for introspection that distinguishes humans is both a bane and a boon. It frees us from the burden of believing in an absolute determinism of events, but it also makes us accountable for the decisions we make and whether they are in our best interests or not. People who begin exercising and quickly experience the many positive effects frequently see the merit in making extra modifications to their routine and diet as well. Therefore, aspiration and self-respect can be boosted by working for a common objective if the individual believes that achieving it will improve either their own or the group's sense of well-being. This has a domino effect on other actions affecting productivity and efficiency.

**Alderfer (1972)** theory draws greatly on that of Maslow (1954) and provides a correspondence between Maslow's hierarchy of needs and the three basic needs he proposes. Alderfer (1972) supported, refined, and reduced Maslow's hierarchy of needs (which included five sub-needs) to just three: "existence (E)," "relatedness (R)," and "development (D)". The author in the ERD theory suggests; (a) existence needs consist of safety, material, and physiological (b) relatedness needs include respect, security, and belonging; (c) growth needs consist of self-esteem and self-actualization. For Alderfer, the three needs, considered to be the basis of behavior needs, are innate although he does not determine precisely how they can be linked to the biological substrate. In the context of the integrative model of motivation, it is therefore a question of psychological needs at least for two of them.

For Alderfer, each need can be explained in terms of wants or satisfactions. Alderfer included physiological needs like hunger and thirst in his category of "needs of existence" (E). Indeed, the point of being is to keep everything in its proper homeostatic equilibrium. The framework of relationships includes the needs of social relationships (R). In this aspect, Alderfer engages in conversation with significant others, who may or may not be members of the same social group. All our social demands, including those for close friends and family, require some form of cooperation with other people to be fulfilled. Components of any healthy connection are acceptance, confirmation, understanding, and influence. To fulfill his or her development needs "D", a person will act in a way that has an impact on either themselves or their immediate surroundings. To address these demands, one must draw on their own resources and abilities whenever a challenge arises; this, in turn, may need the acquisition of new abilities. This desire can be fulfilled when people are given opportunities to develop their skills and make the most of those they already have.

**Locke's (1976)** is among the most influential theories of job satisfaction in the field of industrial and organizational psychology; referred to as range of affect theory (Colquitt, LePine, & Wesson, 2012). Locke, in his theory of values (or "value theory"), argued that workers' happiness on the job is proportional to their valuation of different aspects of their work. Example: if a person places a premium on independence, then being given that freedom at work is likely to make them happier in general. The core idea of this theory is that people are happier at work when their ideals and needs are being met. In other words, an individual's job satisfaction is positively or negatively impacted depending on whether their expectations, attached to their values, are met.

**Hackman and Oldham (1976)** model, known as Job Characteristics Model (JCM), was developed based on the groundwork of Herzberg's two-factor theory (Herzberg et al., 1959), combined with some theoretical underpinnings founded on the expectancy theory (Evans, Kiggundu, & House, 1979). In this model, the authors examine the interaction of individual differences and job characteristics and predict their impact on the satisfaction, productivity, and motivation of employees. The authors argue that job characteristics like skill variety, task identity, task significance, autonomy, and feedback are useful in predicting motivation, satisfaction, and performance on the job through three psychological states (i.e., experienced significance, experienced responsibility, and knowledge of outcomes). Thus, we can draw the usefulness of the JCM model when designing and planning jobs.

**The Lent and Brown (2006)** Social cognitive career theory, integrate individual's and conditions' perspectives on work satisfaction, it consists of five predictor variables: personality traits, work environment, goal advancements, self-effectiveness and self-efficiency, and goal and efficacy contextual supports appropriateness. Some scholars backed this model and concluded in their study that organization managers who establish supportive work conditions and environment drive their employees to increase performance at better rate (Badri et al., 2013).

In sum, the above-mentioned theories have received support from several researchers (Bader, Hashim, & Zaharim, 2013; Uduji, 2013). However, in their in-depth assessment of these theories, Saif, Nawaz, Jan, and Khan (2012) found that writers' interpretations of the same reality vary depending on how the major components in pleasure were conceptualized. Considering this, Saif et al. proposed comparing these ideas to the progressing tenets of positive psychology. Many of these studies use motivation theories, because of the interconnectedness of motivation and job satisfaction. From the above discussed theories, we chose Herzberg et al.'s (1959) as the underpinning theory guiding our study, because it is built upon the cornerstones of the positive psychology's motivation-hygiene theory. The two-factor hypothesis (1959) proposed by Herzberg is recommended as the best method for business owners to learn more about employee happiness at work (Bassette-Jones & Loyds, 2005).

## Herzberg's Two-Factor Theory

Herzberg et al. (1959) detail the several factors that contribute to one's level of happiness or discontent. The term "motivators" is used to describe a certain category of factors (satisfying variables), it includes recognition, achievement, growth, advancement, job empowerment, direct communications, challenging work, restricting authorities, responsibility, and improved


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

accountability causes job satisfaction. Employees who can grow professionally, and improve their skills are more likely to stay at their current jobs (McGilton, Boscart, Brown, & Bowers, 2013). The other set of variables according to Herzberg et al. (1959) is called hygiene (dissatisfying variables), it includes interpersonal relations, pay, working conditions, status, peers, supervisor, job security, company policy, and administration. Hygiene stems from the environment in which labor takes place, whereas motivators come from the nature of the task itself (Herzberg et al., 1959).

For staff retention to be successful, it is likely to require a strategy that considers both internal and external factors. To reduce the significant expenses associated with employee turnover, managers and human resource personnel must deepen their understanding and exercise superior judgement regarding of what drives their employees due to the intense competition for talent. The departure of employees from an organization results in decreased productivity and the loss of intellectual resources. When a company loses a valuable employee, that person becomes available to the company's rivals. Some examples of extrinsic factors include one's superiors, the quality of one's work environment, one's colleagues, one's pay and benefits, one's status, and one's assurance of (Herzberg, 1966; Herzberg et al., 1959). These variables, according to Herzberg, do not serve as satisfiers, but their absence can lead to discontent.

**Supervision:**

There is a connection between the variable and an employee's perception of the quality of their working relationship with an immediate supervisor (Herzberg, 1966; Herzberg et al., 1959). A significant correlation was found between unfavorable evaluations and lower levels of job happiness, involvement, and intention to quit. A healthy relationship that is based on open communication and trust between a supervisor and an employee, can improve job satisfaction, organizational commitment, and reduce the likelihood that a person would leave their position.

**Work Conditions:**

Describe the physical working environment, including the room, the lighting, the ventilation, and the tools available in the workplace (Herzberg, 1966; Herzberg et al., 1959). In a survey of office and industrial employees, job fulfillment was strongly correlated with individual flexibility, the working conditions, social collaboration, privacy, and the absence of distractions or disruptions. An organization's ability to recognize each employee's unique demands fostered commitment and provided a suitable working environment.

**Coworkers:**

Genuine emotions and positive support associated to job happiness, such as coaching, aiding and guidance, and helping with assignments are influenced by the caliber of relationships between coworkers. Positive working relationships help employees stay motivated and cope with stress. Additionally, the connections reduce staff turnover.

**Pay:**

It has been found that dissatisfaction with pay is a major factor in employees' intentions to leave their current position (Choi, Cheong, & Feinberg, 2012). Employees receive extrinsic remuneration in the form of wages deriving from their performance (Wakefield, Curry, Mueller, & Price, 2012). Employees' actions are influenced by extrinsic rewards, incentives, and

punishments (Pereira & Anderson, 2012). Salary is a hygiene issue that contributes to worker unhappiness, as indicated by Herzberg (1974) and Herzberg et al. (1959). Wages were also mentioned as a motivating factor by Kwon and Rupp (2013).

**Policies:**
Herzberg established a link between policies and employees' views on organizational practices, communication, and benefits (Herzberg, 1966; Herzberg et al., 1959). Organizational dedication is bolstered by rules, procedures, and systems that demonstrate a genuine concern for staff members. Happiness at work, loyalty to one's employer, and programs designed to lower turnover rates are all crucial in the banking sector.

**Job Security:**
When people talk about work security, they mean the actual circumstances that affect job stability or length of employment (Herzberg, 1966; Herzberg et al., 1959). The degree of responsibility and potential for promotion are influenced by job security as well. Job security is jeopardized by organizational unpredictability and ongoing change with negative repercussions.

**Status:**
Status, as described by Herzberg (Herzberg, 1966; Herzberg et al., 1959), is correlated with employees' perceptions of their own importance, fame, and standing in society. A big workspace, access to company vehicles, or other perks like these might set one employee apart from another. Providing employees with direction toward work that has purpose in each position has been shown to increase job satisfaction and retention.

Achievement, acknowledgment, the nature of the task itself, responsibility, promotion, and personal development are all examples of intrinsic motivators (Herzberg, 1966; Herzberg et al., 1959). Lack of these conditions does not lead to dissatisfaction but having them present might serve as a source of inspiration. Increasing opportunities for promotion, personal development, acknowledgement, and responsibility at work has been shown to increase employee motivation.

**Achievement:**
Herzberg linked the variable with feelings of success, such as when a job is done or an issue is resolved (Herzberg, 1966; Herzberg et al., 1959). Successful workers put in long hours, volunteer for difficult assignments, and demonstrate an eagerness to seize every possible opportunity. Achievement is seen as a challenge that sparks interest, improves memory of tasks, and guides workers toward mastery and insight, all of which contribute to workers' sense of intrinsic drive.

**Recognition:**
In their study, Herzberg (1966), and Herzberg et al., (1959) postulated that people respond differently to positive and negative comments about their accomplishments. Rewarding workers for their efforts and showing them that they are appreciated through public acknowledgement is an effective management strategy. The concept is underutilized by supervisors. Motivation can be increased by both monetary and nonmonetary rewards, and


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

progress can be fostered through proper assistance. Reduced employee turnover is correlated with an atmosphere of respect and gratitude in the workplace (Stinchcomb & Leip, 2013).

**Responsibility:**
The term "responsibility" is used to describe the act of exercising authority over one's own or others' duties (Herzberg, 1966; Herzberg et al., 1959). Empowering employees has a crucial part in ensuring that the assigned task is completed successfully (Herzberg et al., 1959). A workforce that is empowered demonstrates innovation in a variety of ways, including enhanced client services and streamlined operations.

**Advancement:**
An employee's perception of promotion is directly related to the reality of such promotion (Herzberg, 1966; Herzberg et al., 1959). Employees who have opportunities to expand their knowledge and advance in their careers are more likely to remain with the company (McGilton et al., 2013). Managers must take the time to get to know their staff and learn about their aspirations in the workplace.

**Growth:**
Although worries about development may shift over time, growth is always about the prospect of improvement (Herzberg, 1966; Herzberg et al., 1959). A person's growth can be measured in several ways, including horizontal mobility, possibilities for development, and the acquisition of new abilities. When given the opportunity to learn and develop, workers get the self-assurance to go above and beyond in their employment. An employee's long-term commitment to an organization is bolstered by opportunities for professional development.

**The Work:**
Workers' perceptions of their work environment and the distribution of responsibilities are central to Herzberg's (Herzberg, 1966; Herzberg et al., 1959) theory of intrinsic motivation. Improving employee motivation relies heavily on thoughtful job design. A successful outcome would be the appointment of a competent engineer to oversee the operation and output of a team.

To conclude, providing proper work environment and general work atmosphere, including space, lighting, ventilation, equipment, equitable quality relationships between colleagues, adequate organization policies and procedures, positive relationship with an immediate supervisor, opportunity for advancement, job design, work distribution, job security, job status, perceived achievement, and fewer disturbances. All these factors help employees adjust against stress, enhance their job satisfaction, increase their commitment, and lower their intents to leave. However, hygiene variables, such as salary may cause employee job dissatisfaction (Herzberg et al., 1959; Herzberg, 1966; Herzberg, 1974). In this respect, Herzberg et al.'s (1959) viewed the managers role beyond focusing on hygiene factors. Instead, they emphasized the use of the combination of motivators and hygiene factors to guarantee a successful and efficient implementation of employee retention strategy and avoid the waste of intellectual resources, as well as the high costs linked to higher turnover rate. Accordingly, the hygiene factors (the external aspects not related to work itself) alone are not satisfiers; they are

less effective in their use to respond to employees' motivation need. Instead, their inadequacy could affect the employees' dissatisfaction.

Thus, it is crucial for organization managers to focus on motivation factors to increase employees' performance and productivity. Since its inception, the theory has been examined through different settings: samples, cultures, job positions, and methods. Yet, up until present, there is still no unanimity about the validity of Herzberg's theoretical predictions. As such, the authors of this study asserted the need of business leaders to understand the type of practices that would boost the individual's productivity on the job. Such understanding help business leaders realize the drivers of employees' improved morale and satisfaction, improve working relations, choose the adequate human resources, lower absenteeism, reduce their turnover, and improve productivity. However, the appropriateness of the use of Herzberg's two-factor theory, as discussed by different scholars, draws both support and criticism depending on the setting where it is examined.

**Proponents for Herzberg's Theory**

For many decades, and through multiple industries, numerous motivational researchers have used and still support Herzberg's Two-Factor Theory. Though a considerable growing amount of research have been conducted to test the validity of Herzberg's two factor motivation concept (Lundber, Gudmundson, & Andersson, 2009; Ruthankoon, & Ogunlana, 2003). In Tamtekin (2012) study, the author correlates Herzberg's theory with performance, and determined that stressing motivation factors contribute to better relationships among peers, and to higher employees 'self-esteem, and therefore, contribute to increased performance and job satisfaction. Derby-Davis (2014), in a nursing industry study, shown that characteristics related to motivation and personal hygiene play an important role in determining work satisfaction, which lead to lower employee turnover intent. More so, Ghazi, Shahzada, and Khan (2013) concluded that the achievement of hygiene factors determines employees' motivation.

In their study, sampling university teachers and staff, Islam and Ali (2013) concluded that various motivation factors (intrinsic factors) were significant determinants that contributed to teachers' satisfaction. The authors further asserted work conditions as well as the relationships with the coworkers and supervisors, produce positive effects on employees' satisfaction. The authors also confirmed that some hygiene factors (extrinsic factors), such as salary, university policy, and potential opportunities for growth are dissatisfiers (Islam & Ali, 2013). Employees' work results are reflected in their pay as an extrinsic reward (Wakefield, Curry, Mueller, & Price, 2012). Disappointment in salary drives turnover intention (Choi et al., 2012). Pereira and Anderson (2012) determined hygiene factors affect individuals' behavior. Kwon and Rupp (2013) also asserted that financial compensation is a motivating factor for employees. Recognition, and appreciation lead to decreased employee turnover (Stinchcomb & Leip, 2013).

Motivated individuals tend to be more engaged and maintain constant performance which help them attain organization goals (Shuck & Herd, 2012). Lavine (2014) stated that business managers recognize the direct link between employee personal development and the business success. Some researchers, such as Aggarwal and Krishnan (2013) have also realized positive correlations between managers' styles, employees' motivation, and performance


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

measurement. More so, employees' motivation boosts their performance and leads to organizational success (Sangar & Rangnekar, 2014).

Employees' commitment as well as their attitude is positively influenced when authority exists at workplace (Moore, Cangemi, & Ingram, 2013). Cho and Perry (2012) when they examined attitudes of employees that prevent their intrinsic motivation, the results showed a direct link between lack of intrinsic motivation and turnover intention. Managers recognize the correlation between employee motivation, employee performance, and responsibility (Vallerand, 2012). To some extent, job fulfillment can be a direct result of intrinsic motivation. Motivating factors have been found to improve job satisfaction, as reported by Lukwago (2014). The research of Van Scheers and Botha (2014) demonstrates a link between intrinsic motivation and contentment in one's work environment. Motivated workers are more invested in their work. Those who put in their all tend to be happier in their work than those who just show up to do the bare minimum.

Cerasoli, Nicklin, and Ford (2014) proclaimed managers must establish best procedures and systems that lead to better opportunities and increased employees' motivation. Part of the culture that organizations' managers must create and promote is shared effective best learning practices, such culture is crucial for change management, increases employee motivation, and improves employee retention (Chen & Zhao, 2012). Khan, Shahid, Nawab, and Wali's (2013) research agreed with Herzberg et al.,' (1959) two-factor theory, which posits that to keep their employees from looking elsewhere for work, managers must provide a level of "hygiene factors" (intrinsic factors) that is just above the threshold below which workers would consider looking elsewhere. However, despite researchers support, Herzberg's two-factor theory received a serious academic debate raising questions concerning its methodology and claiming various term use.

**Detractors of the Herzberg's Theory**

Several academics whose research focuses on employee motivation and job satisfaction have questioned Herzberg et al (1959) claiming the theory's fundamental approach is limited and complex. Others argued that the theory was not practical and distorting the nature of job satisfaction. Yusoff, Kian, and Idris (2013) recommended a modification of the theory to establish new determinants factors of employees' job satisfaction; the authors stated that hygiene factors, which supposedly only sparks neutral feelings toward jobs or job dissatisfaction, have influenced participants 'job satisfaction. Consequently, the application of the two-factor theory is less useful in research related to employee motivational (Yusoff et al., 2013).

Locke (1978) also criticized Herzberg's claiming authors of the theory fell short in connecting goal setting with employee motivation. Locke extended his criticism stating there exist multiple sources of job contentment and discontentment asserting that individuals' mental and natural processes are distinct. Locke also argued that individuals' wants and preferences, as well as natural and emotional needs are different. Mottaz (1985) explored, in an extensive study, the effect of the intrinsic motivation on job happiness in multiple industries, the findings of the study were, in a working group, motivation (intrinsic) factors only when supported by hygiene (extrinsic) factors may lead to job satisfaction. Furthermore, Mottaz (1985) argued against

some points of Herzberg's theory by claiming that extrinsic factors can only be effective at entry level jobs.

**Employee Motivation**

Employees when rewarded, compensated, and promoted are more motivated, and tend to complete their jobs more efficiently expecting to be noticed within their organization as compared to non-motivated ones (Salau, Falola, & Akinbode, 2014). An employee motivation towards their job is greatly impacted by their perceived sense of autonomy when completing their assigned tasks (De Long, 2010). As such, managers' abilities to attract, motivate, challenge, and retain competent employees, as well as their abilities to utilize an efficient performance management system for their organizations, are more likely to lead their organization towards success. Conversely, lack of managers abilities to motivate valuable employees drive those key employees to leave their job. Manager's ability to motivate high-performance employees is critical for strengthening the organization; motivation boosts employees' confidence, enhances their performance, and assures the delivery of valuable quality work (Kehoe & Wright, 2013).

**Appreciation for Employees' Perspectives:**

Herzberg et al. (1959) asserted recognizing and satisfying individual needs and goals help meet the desired employee outcome. Managers who fall short of using motivating factors, such as positive employee support, drive employees' desire and need to obtain other, non-job-related hygiene (extrinsic) factors (Herzberg et al., 1959). Managers who are active in seeking to understand employees' needs and strive to satisfy them, are more likely to succeed in achieving their crucial goal (i.e., an improved retention strategies) (Gouveia, Milfont & Guerra, 2014). Individuals are more motivated, engaged, and tend to improve their work performance when managers succeed in developing programs that link employees' performance with rewards. Conversely, when organizational managers meet their employee's needs, employees become more motivated, committed, engaged, and strive to improve their performance (Chomal & Baruah, 2014).

**Opportunities for Social Interaction:**

Establishing company groups fulfills the employees' need of belonging. Such groups setting should include staff who associate themselves with the teams in a synergistic way. More so, when business leaders succeed in establishing solid teams in the workplace and encourage harmony between them, they encourage employees to enhance their performance and attain the pre-determined business goals (Fitzsimmons & Stamper, 2014; Zameer, Ali, Nisar, & Amir, 2014). Synergic work result is a product of various parts or groups in a company working together to deliver an enhanced outcome and improve the performance of the group members as poised by Shevellar, Sherwin, and Barringham, (2014). More so, the authors further argue, employees' needs can be met and nurtured when they feel happy belonging to workplace groups, which reduce workplace stressors, and increase their eagerness to accomplish the group goals.

**Support for Professional Growth:**

Employees' wellbeing at the workplace, employees who are empowered with the necessary resources and receive adequate and necessary training, tend to be more responsible and care


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

about their jobs. As such, managers may explore and use Herzberg's motivation theory to better understand their employees' potential needs, develop programs, and conduct activities to address the individual needs. Employees are more motivated when holding jobs that are demanding yet promising and fulfilling with potential growth opportunities (Herzberg et al., 1959).

A performing manager does not ignore employees' needs. Instead, a manager who seeks to retain key employees and leads the organizations towards success, needs to work with employees to clarify the organization strategic goal, define performance, provide necessary resources, offer encouraging yet honest feedback, create growth opportunities, and provide adequate training means (de Haan, Ferguson, Adamowicz, Johnstone, Brown, & Wong, 2014).

**Control Over One's Own Expectations:**

The complex business conditions and tough competition for competent employees are enough reasons for a successful business leader to understand and meet employees' expectations. Such an action may help those business leaders ensure consistent performance, maintain their committed human capital, and sustain their growth (Downes & Choi, 2014). Organization managers seek to increase productivity and profit. Managers who discuss, understand employees' expectations and goals, and assist them to achieve their personal goals, will decrease absenteeism and employee turnover and move steps forward into obtaining their organization goals (Bareket-Bojmel, Hochman, & Ariely, 2014).

**Employee Retention Strategies**

The cost of replacing one employee, on average, is 10 times higher than the cost of keeping the current staff in place (Nagabhaskar, 2014). Most salary workers quit their jobs during the first five years of their initial hiring (Bagga, 2013). Employee satisfaction has a direct link to employees' intent to stay (Milman & Dickson, 2014). Company managers, when facing a tough financial period, tend to develop positive and harmonious employee groups as part of retention strategy (Milman & Dickson, 2014). Organizational leaders may be careless and retain unproductive employees who can become costly to their organization (Self & Self, 2014).

Managers who have difficulties retaining employees are advised to develop retention strategies ensuring employees are appreciated and encouraged. Thus, creating organizational sustaining force during change management, especially in an unstable economic environment (Shahid & Azhar, 2013). An organization business strategy that does not include retention strategy is weak and deficient (Ghosh, Satyawadi, Joshi, & Shadman, 2013). It is critical for organization managers to create and adopt retention strategy that includes a culture of belonging without neglecting to perform diagnostic of what triggers in deciding whether to resign or remain in their existing positions (Cohen, 2013). Achieving organization goals is crucial and the responsibility of all the company employees, and not only restricted to managers' role. Managers, in banking sector, who develop retention strategies are highly advised to take into consideration key employees' needs and goals, including regular performance evaluation that may lead to rewards and growth opportunities. Such retention strategies may lower the high risk of skillful employees' transferability to competitive organizations within the sector (McClean, Burris, & Detert, 2013).

Organizational leaders strive to develop optimized employees' retention strategies to retain only capable employees and improve turnover (Rathi & Lee, 2015). Uzonna (2013) described organization strategies and practices whose managers provide limited opportunities of growth within an organization, as deficient strategies that will lead talented employees to leave their job to a more competitive organization whose managers know how to appreciate and retain valuable expertise. Employees' major stressor at workplace is caused by poor work–life balance they strive to attain, and by management inabilities to support them to achieve that goal (Gilley, Waddell, Hall, Jackson, & Gilley, 2015). Managers' abilities to adopt effective and affective behavior role model, equitable and equal treatment, as well as to establish a culture of cooperation and belonging, can create a meaningful workplace for their employees (Price, 2013).

Organization goals, in a diversified and multicultural context, can be achieved if managers of that organization recognize, nurture, cultivate, and promote a differentiated strategy that takes into consideration the employees' differences in terms of culture, learning styles, and identities. Such management strategy can be effective in helping managers create cultural context that forms the workplace, increase employees' satisfaction, decrease turnover, and eventually meet the company goals (Cloutier et al., 2015). Terera and Ngirande (2014) noted that employees' retention is a major challenge in human capital management. Employee retention, for small or large companies, an international topic of interest and a major study focus for scholars (Gialuisi & Coetzer, 2013). Turnover minimization and employee retention remain one of the primary managements focuses (Shore, 2013).

Inspiring and encouraging managers who adopt a style that positively influence employees can deter them from leaving their jobs (Shuck & Herd, 2012). Managers' styles have a direct link with employees' turnover. As such, by establishing a strong and meaningful relationship with employees, organizational leaders can positively influence their intent to stay (Liu, Cai, Li, Shi, & Fang, 2013). Managers who are devoted toward their employees' well-being, managers who set goals, and those who clearly communicate with their employees reasonable and attainable objectives, as well as those who are supportive and recognize individuals' efforts and achievements, discourage employees from quitting (Ng'ethe, Namusonge, & Iravo, 2012).

Organizational managers must distinguish valuable and productive employees from less valuable and nonproductive ones. However, to retain those competent employees and decrease employee turnover, managers must create a business culture encouraging employees wellbeing to boost employees' morale, increase synergy between employees, prevent or minimize loss of knowledge. Managers' use of such policy would allow them to attract talented employees, increase customer loyalty, enhance sales, increase productivity, and guarantee business growth, continuity, and sustainability (Samuel & Chipunza, 2013). Effective retention strategies increase employee motivation, decrease the turnover intention. Attracting talented employees motivate managers to support their well-being and develop a solid retention strategy (Samuel & Chipunza, 2013).

Organization leaders who develop and adopt effective employee retention strategies, can be successful in building strong teams at the workplace, inspire employees, and motivate them to be more engaged, committed, and productive. Therefore, such managers can ensure business


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

growth and improve turnover (Strom, Sears, & Kelly 2014). The following literature review is composed of eight academic literature subthemes addressing and shedding-light-on employee retention strategies, which represent the core purpose of my qualitative single case study: (a) branded employer, (b) manager skill development, (c) effective recruiting, (d) induction programs, (e) internal talent investment, (f) connect employee efforts to results on the workplace, (g) challenges in keeping employees, and (h) retention strategies development.

**Branded Employer Strategy:**

The employer brand, or the firm's identity, is designed to target the employee market; it consists of the organization values, policies, procedures, systems, and behaviors established to attract, motivate, and retain the existing and potential organization employees. Organizations design employer brand aiming to increase a long-lasting value perception in the prospective employees' eyes and aspiring to strengthen their competitiveness (Dell, Ainspan, Troy, & Hickey, 2001). Employer branding is an adopted company internal and external analytical approach used by the firm as means of communication to shine and position itself as an exclusive and attractive quality employer of choice (Thorne, 2004; Branham, 2001). Despite the intense ongoing competition in the employment markets, limited knowledge gained through research examining methods that potential employees use in assessing employers' brand (Schmidtke, 2002; Sutherland, Torricelli & Karg 2002).

Some scholars stated that employer brand and human capital (employees' knowledge, skills and abilities, values, and relations) are not only valuable intangible assets, but they are also sources of organization sustainable competitive advantage that human resource managers and marketers should include and focus on when developing their firm strategic choice (Aaker 1991; Backhaus & Tikoo 2004; Sutherland, Torricelli & Karg 2002). Competitive employer brand is established by potential employees' perception of the equity associated with the overall psychological, financial, and operational advantages. Such employer perception (brand) weighs heavily in the evaluation of a firm market value (Cairncross, 2000). Thus, developing an effective and robust employer brand strategy, in the increasingly competitive employment markets, increases the firm's attractiveness by skilled applicants for advertised vacancies, and improves employee retention (Hanson, Dowling, Hitt, Ireland, & Hoskisson, 2002).

**Manager Skill Development:**

The nature of managerial work, and the context in which managers work is conducted, have significantly changed during the past two decades because of the major changes in the organizational, economic, and technological context (Cooper, 1998). In a fast-changing and in a continuously more connected, and cross cultured world, firms' managerial practices have become universal. More so, the uniformity of international managerial practices, norms and standards that are regulated and imposed by international accrediting agencies is considered another pressing factor that contributed to these changes (Hafsi & Forashaki, 2005). The effectiveness of management practices is impacted by cultural values, individual motives, self-worth, as well as by self-image (Erez & Earley, 1993). An effective organizational skills management program comprises both employees' and managers' skill development. Investing in managers' skills development programs is crucial for the success of firm retention strategy (Grimlanda, Vigoda-Gadot, & Baruch, 2012). Thus, ineffective manager's role and performance,

as well as lack of nurturing meaningful interpersonal relationships that include employees at all levels in the hierarchy contribute to higher employee turnover rate.

**Effective Recruiting:**

Part of the human resources managers' role is to attract and recruit qualified talents for their organization, and hiring new employees is costly and time consuming (Ratna & Chawla, 2012). Thus, it is crucial for human resource managers, at all levels, to continuously analyze and enhance their recruitment process and review their selection systems to ensure their effectiveness in providing the organizations with a fine selection of employees regarding their work behaviors, competencies, and overall qualifications for a better fit within a company's culture, mission, and pre-set goals (Robert-Leigh Compton, 2014). Incompetent employee rather than helping their organization achieve its goal, they contribute to increasing its costs (Sharmin, 2015). Khan (2008) emphasized the importance of recruitment process and asserted mismatching employee candidate and job positions leads to an increased cost for an organization, a loss of time, and waste of energy. As such, failure to develop and adopt effective and efficient hiring processes and systems increases employee turnover and lowers firms' profitability.

**Induction Programs:**

One of the building blocks for organizations and their employees is the establishment of an adequate employee induction program. Such program is an integration process used within many firms to favorably receive, integrate, and assist new recruits in their role within the organization. Research supports the need for systematic induction of new employees and ongoing professional development of all employees emphasizing the sustainability of such induction and development programs that yield to long-term positive results for all the organization stakeholders (Hiebert, Gallimore, & Stigler 2002). To conclude, lack of induction program use, by certain company managers, leave new employees confused, lacking information, which leads to waste of time, capital, and value in organizations. Conversely, responsible managers who implement induction programs lead their company to increased employee retention, enhanced confidence, improved productivity, and better sense of self-worth and company belonging.

**Internal Talent Investment:**

The reality of the modern competitive and complex business environment imposes on company managers to take the initiative of foreseeing and meeting the needs and demands of talented employees, such proactive action leads to organization success. Consequently, human resource managers must establish and follow a set of policies and procedures to succeed in improving the firm retention and enhancing their attractiveness for talented employees. Such company talent investment has a direct and positive relationship with organizational commitment, enhanced performance, improved skills, and increased employee retention (Bapna, Langer, Mehra, Gopal, & Gupta 2013).

Company success can be achieved when competent managers implement effective organization strategies to attract, develop, and retain the most qualified and the highest performing individuals and empower those talented employees to meet their own goals (Ballesteros, 2010). Managers invest in talent management programs to strengthen their internal side of the


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

business and prepare smart talented employees, technologically literate, globally perceptive, and operationally active to stay with the company (Jehanzeb, Rasheed, & Rasheed, 2013). Training employees sharpens their skills and abilities and qualifies them to become highly ranked as compared against rival firms in the market (Salazar, Torres, & Reche, 2012). Continuous development strengthens employee loyalty, commitment, and empowers individuals to optimize the completion of their tasks, and therefore, meet the company objectives and increase its retention. However, it is important for managers to align organizational goals and objectives with the employee training programs (Ibidunni, Osibanjo, Adeniji, Salau, & Falola, 2016).

**Connect Employee Efforts to Results on the Workplace:**

Among manager crucial roles is enhancing organizational performance and optimizing the turnover and retention ratios. Research have shown that superior job performance and enhanced job outcome are positively correlated. However, organizational managers who solely focus on company bottom line (i.e., improving their return on investment, and increasing profit, etc.) drive employee's turnover (Ryu & Lee, 2013). Mayfield and Mayfield (2014) asserted a manager boosts employees' esteem when assigning to them challenging tasks. Mismatching demands of the job and employees' personal values, knowledge, skills, and abilities lead to, among other negative effects, less motivation, poorer performance, absenteeism, and eventually higher turnover (Mathis & Jackson, 2003). When employees possess the necessary skills to satisfy job demands, they have better chance to boost their performance, deliver the expected outcomes, and stay longer at the job (Hecht and Allen, 2005; Lopez and Babin, 2009).

**Challenges in Keeping Employees:**

An organization survival depends on the ability of managers to retain top performers and high achievers (Mohr, Young, & Burgess, 2012). Several researchers concluded that employee turnover has a negative impact on a company's sustainability because loss of skilled employees leads to lower profitability (Baldwin & Lafrance, 2014; Bothma & Roodt, 2012). Managers' inability in retaining well-trained employees can neither sustain their business growth nor improve profitability (Bothma & Roodt, 2012). Business managers who inspire their subordinates have higher chances to boost their motivation, improve their self-esteem, and strengthen their organization commitment (Northouse, 2013).

**Retention Strategies Development:**

Retaining top performers and high achievers is one of the crucial roles organizational managers must successfully exercise. As such, each organization manager adopts a retention strategy that guarantees growth sustainability and aligned with the firm strategic and financial priorities. More so, weak retention strategy increases the turnover and drives high performers to seek better and more satisfying opportunities elsewhere (James & Mathew, 2012).

Employee retention is a bundle of initiatives developed by companies to discourage employees to quit their jobs and stay with their organization for the longest period. The benefits of employee retention are shared between the organization and its employees (Gurumani, 2010). Job related stress, job stressors, and weak organizational commitment are among multiple reasons employees can be dissatisfied with their organization and quit their jobs (Firth, Mellor, Moore, Loquet (2007). Human resources managers primary roles are to recruit, train, develop,

empower, and retain skilled employees to meet company objectives, minimize the cost, increase productivity and profit, enhance employer brand, ensure business continuity and sustainability, and finally match the right talents to the right jobs (Lathitha, 2012). Organizational culture, processes, and systems play a significant role in employee retention. One size does not fit all when developing retention strategies. As such, human resources managers should acknowledge employees' needs and create effective, appropriately targeted, and organized package of retention initiatives suitable for the diversified and multicultural set of individuals with different needs and preferences (Allen, Bryant, Vardaman, 2010).

Thus, investment in employees' training and development, recognizing and satisfying employees' needs, adopting clear and meaningful induction programs, and providing the appropriate business culture and environment are pivotal aspects to boost skilled talents' satisfaction and lower turnover intentions (Kandampully, Keating, Kim, Mattila & Solnet, 2014). Setting effective approach and implementing it are two separate courses (Milman & Dickson 2014; Park & Levy 2014). As such, a manager' execution plan requires a documented framework for the question words: who, what, where, how, and when, to reach the intended goals of the organization retention strategy (Ryu & Lee, 2013). An empowered business manager who creates retention strategy that encompasses high-quality culture and nurtures a pleasant work environment can boost employees' and groups' collaboration (Gershengorn, Kocher & Factor, 2014).

**Employee Turnover**

Increased employee turnover produces negative outcomes causing additional costs and a financial deficit for recruitment and training replacements (Drysdale, 2005). Also, high turnover causes low efficiency due to the loss of the knowledge of the job and the organization associated with the lost employee (Ghosh & Satyawadi, 2013). Thus, the loss of the organization's talent and knowledge continues until the replacement employee becomes well trained and possesses the necessary skills to do the assigned job (Dusek, Ruppel, Yurova & Clarke, 2014). Business managers must be tuned on the employees' needs and expectations before triggering the turnover intention in employees and before the employees quit (AlBattat & Som, 2013).

Incompetent managers who try to manage everything through rules, who do not give credits where it is due, who do not put reward performance-system in place, who do not encourage a pleasant working environment, and who cannot inspire nor create job opportunities, are likely to drive employees to quit and increase the turnover. Subsequently, loss of talented employees incurs substantial tangible and intangible costs associated with recruiting and training substitute employees, planning, employer branding, and advertising. This costly and time-consuming process implies also breaking deadlines and delaying projects. To meet these challenges of employee turnover, managers' role and support are vital. As such, it is crucial for managers to develop themselves, improve their leadership skills (Pawar & Chakravarthy, 2014).

**Turnover Causes:**

The significance and difficulty of employees' turnover drove many scholars to explore this topic in a variety of studies. There is a consensus in the literature research that managers' capability


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

to engage, inspire, motivate, and retain employees are vital to business success. As such, human resources managers are obligated to develop proper assessments of what causes employee turnover and adopt effective approaches to minimize the turnover ratio (Choi & Perumal, 2014). Tenured employees are less expected to leave their firm as compared to employees that were recently recruited. However, understanding, addressing causes that drive employees to quit, and implementing effective retention strategies that lead to minimizing the employee turnover remain one of the primary roles of organization managers (Grissom, Nicholson-Crotty & Keiser, 2012).

Lack of friendly work environment, lack of employee empowerment, unattractive benefits and perks, unbalanced compromise between professional and personal life, elevated job stress and job stressors, absence of motivation, inadequate use of management styles, unchallenging work, limited opportunities of growth, limited responsibility and lack of recognition are all factors and main causes behind employees' turnover increase. Thus, comprehensive, effective, and appropriately targeted retention strategies that are aligned with organizations' vision and goals may well minimize the employees' intention to leave the job and, therefore, minimize the employees' turnover (Kim, 2012). Organizations' sustainability depends on the best implemented effective strategies and practices of employee retention within the organization.

**Costs of Turnover:**

Employee turnover incurs high cost for businesses. As such, it remains a central concern for business managers (Pearlman & Schaffer, 2013). High employee turnover produces damaging tangible and intangible costs and harmful psychological consequences upon organizations (Shah, 2014). More so, high turnover affects existing employees' confidence, weakens their commitment towards the organization, lowers their performance, and has negative impact on employer brand (Huffman et al., 2013). Training and orienting new hires incur expanded cost (Grzenda & Buczyski, 2015). Employee substitutes costs are on the rise (Frey et al. 2013). Employee turnover incurs companies' other costs aside from the hiring plans cost (Milman & Dickson, 2014). Vacancy replacement costs the organization almost double the annual salary for the position of that lost employee Hom et al. (2012). Likewise, Nagabhaskar (2014) said, in the overall, it costs 10 times as much to hire a new worker as it would to keep the same number of people on staff, which is equivalent to about 20% of a worker's annual wage. Selecting, hiring, and training new employees burden companies with heavy costs (Tews et al. 2014). Turnover cost involves two parts; tangible and intangible, whilst both can be heavy on companies, the intangible costs can be more damaging (Vijayakumar ,2012). Company top performers represent a valuable organization asset and are key contributors behind the creation and implementation of business processes, when such employees quit their job, their void may disturb the easy flow of the business processes (Tzabbar & Kehoe, 2014).

**Organizational Commitment:**

Arora, Nuseir, Nusair, Arora (2012) explained employees commitment varies in terms of how it is defined in different contexts. Employees' sense of belonging to an organization, their engagement, and ability to positively contribute to its growth are signs of organizational commitments (Sani, 2013). Organization commitment has been highlighted in various studies as a success factor and is considered a strong loyal connection between employees and the organization they are working for (Buchanan 1974; Das 2002). Ellenbecker and Cushman

(2012) asserted organization commitments are employees' strong moral connection and emotional affection towards their organization. High employee organizational commitment leads to enhanced performance, increased profitability and growth, and reduced employee turnover (Rehman et al. 2012).

Allen et al. (2013) noted the higher employee dedication and engagement, the more connected and committed employees are to their organization. Globalization, fast-technological changes, brutal business competition, unstable labor market trends, challenges of recruiting skilled employees, and the complexities related to all these factors have imposed some challenges on organization managers to develop and implement talent management best practices and effective retention strategies to minimize the turnover (Balassiano & Salles 2012; Johnston & Spinks 2013). Employees' commitment towards their organization positively correlates with job satisfaction (Srivastava, 2013). Behavioral integrity may be another factor that indicates the existence or strength of employees' commitment towards their employer (Fritz et al. 2013). Furthermore, Farjad and Varnous, (2013) confirmed set of hygiene factors, according to Herzberg et al. (1959), rooted in the circumstantial factors surrounding the work, such as interpersonal relations, salary, rewards, working conditions, status, job security and safety, as well as company policy impact organizational commitment.

**Organizational Commitment in Financial Institutes:**

Ebiringa (2011) stated bank employees are judged to be suffering from high levels of physical and psychological stress as compared to employees of other industries. Thus, Kirmizi and Deniz (2009) asserted the importance for organization managers to promote social activities, encourage healthy interpersonal relations between employees at all hierarchical levels to enhance and strengthen employees' organization commitment. High-fliers' employees' commitment to the organization excels in a challenging environment, whereas underachievers enjoy the comfort zone in a nonthreatening and less challenging work environment (Steers, 1977). Employees personal development and advancement within an organization is a satisfying factor that contributes to an increased employees' organizational commitment. Thus, firm managers may well establish personal growth programs to help employees grow professionally and/or personally. Such programs may include but not limited to, tuition reimbursement, trainings, workshops, promotions, etc. (Herzberg et al. 1959).

Employees' satisfaction, performance, and commitment tend to increase when they are involved and actively participate in the processes of decision-making, organization plans, and goals-setting (Kirmizi & Deniz 2009; Meyer & Allen 1991). Bank employees' commitment drives excellent service and customer relationship. Thus, it is crucial for financial institutions to be engaged in all types of efforts and activities that contribute to increasing employees' satisfaction and strengthening their commitment towards the organization they work for; such an approach increases productivity, improves service, and decreases turnover (Ellenbecker & Cushman 2012; Secara 2014).

## CONCLUSION

In this paper the research problem was justified using reasoning based on a review of the relevant literature. The conceptual framework, employee retention tactics, staff motivation, and employee turnover were discussed. The phenomena of employee turnover and the


**URL:** http://dx.doi.org/10.14738/abr.114.14414.

management styles that contribute to it are the study's theoretical and methodological foundations.

## References

Allen, M. R., Ericksen, J., & Collins, C. J. (2013). Human resource management, employee exchange relationships, and performance in small businesses. *Human Resource Management, 52*, 153-173. doi:10.1002/hrm.21523

Arora, N., Nuseir, M. T., Nusair, T. T., & Arora, R. (2012). Study-based moderators influencing the relationship between organizational climate and employee's organization commitment. *EuroMed Journal of Business, 7*, 201-220. doi:10.1108/14502191211245615

Balassiano, M., & Salles, D. (2012). Perceptions of equity and justice and their implications on affective organizational commitment: A confirmatory study in a teaching and research institute. *Brazilian Administration Review, 9*, 268-286. doi:10.1590/s1807-76922012000300003

Buchanan II,B. (1974). Building organizational commitment: The socialization of managers in work organizations. *Administrative Science Quarterly, 19*: 533 – 546.

Das, H. (2002). The four faces of pay: an investigation into how Canadian managers view pay. *International Journal of Commerce & Management, 12*, 18-41.

Dinger, M., Thatcher, J. B., Stepina, L. P., & Craig, K. (2012). The grass is always greener on the other side: A test of present and alternative job utility on IT professionals' turnover. *IEEE Transactions on Engineering Management, 59*, 364- 378. doi:10.1109/TEM.2011.2153204

Donaldson, T. (2012). Three ethical roots of the economic crisis. *Journal of Business Ethics, 106*(1), 5–8. doi:10.1111/1468-0432.00174
Ebiringa, O. T. (2011). Benchmarking incidence of distress in the N igerian banking industry on Altman scale. *Serbian Journal of Management, 6*(2): 221-230.

Ellenbecker, C. H., & Cushman, M. (2012). Home healthcare nurse retention and patient outcome model: Discussion and model development. *Journal of Advanced Nursing, 68*, 1881-1893. doi:10.1111/j.1365-2648.2011.05889.x

Farjad, R. H., & Varnous, S. (2013). Study of relationship of quality of work life (QWL) and organizational commitment. *Interdisciplinary Journal of Contemporary Research in Business, 4*, 449-456. Retrieved from http://ijcrb.webs.com

Frey, R. V., Bayón, T., & Totzek, D. (2013). How customer satisfaction affects employee satisfaction and retention in a professional services context. *Journal of Service Research, 16*, 503-517. doi:10.1177/1094670513490236

Fritz, J., O' Neil, N., Popp, A., Williams, C., & Arnett, R. (2013). The influence of supervisory behavioral integrity on intent to comply with organizational ethical standards and organizational commitment. *Journal of Business Ethics, 114*, 251263. doi:10.1007/s10551-012-1345-z

George, C. (2015). Retaining professional workers: What makes them stay? *Employee Relations*, *37*, 102-121. doi:10.1108/ER-10-2013-0151

Grzenda, W., & Buczynski, M. K. (2015). Estimation of employee turnover with competing risks models. *Folia Oeconomica Stetinensia*, *15*(2), 1-13. Retrieved from https://www.researchgate.net/publication/301945917_Estimation_of_Employee_Turnover_with_Competing_Risks_Models

Guilding, C., Lamminmaki, D., &, McManus, L. (2014). Staff turnover costs: In search of accountability. *International Journal of Hospitality Management, 36*, 231-243. doi: 10.1016/j.ijhm.2013.10.001

Heavey, A. L., Holwerda, J. A., & Hausknecht, J. P., (2013). Causes and consequences of collective turnover: A meta-analytic review. *Journal of Applied Psychology, 98*(3), 412–453. doi:10.1037/a0032380

Herzberg, F., Mausner, B., & Snyderman, B. (1959). *The Motivation to Work* (2nd ed.). New Brunswick, NJ: Transaction.

Hom, P. W., Mitchell, T. R., Lee, T. W., &, Griffeth, R. W. (2012). Reviewing employee turnover: Focusing on proximal withdrawal states and an expanded criterion. Psychological Bulletin, 138, 831-858. doi:10.1037/a0027983

Johnston, N., &, Spinks, W. (2013). Organizational climate and employee turnover intention within a franchise system. Journal of New Business Ideas & Trends, 11(1), 20-41. Retrieved from http://jnbit.org/

Kirmizi, A., & Deniz, O. (2009). *The organizational commitment of IT professionals in private banks*. European and Mediterranean Conference on Information Systems, July 13 – 14, 2009.

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review, 1*, 61-89. Retrieved from https://doi.org/10.1016/1053-4822(91)90011-Z

Milman, A., &, Dickson, D. (2014). Employment characteristics and retention predictors among hourly employees in large US theme parks and attractions*. International Journal of Contemporary Hospitality Management, 26*, 447-469. doi:10.1108/IJCHM-04-2013-0178

Mohlala, J., Goldman, G. A., & Goosen, X. (2012). Employee retention within the information technology division of a South African bank: Original research. *SA Journal of Human Resource Management, 10*(2), 1–11. doi:10.4102/sajhrm.v10i2.438

Nagabhaskar, M. (2014). Motivational factors of employee's retention and engagement in organizations. *International Journal of Development Research*, 4, 221-224. Retrieved from www.journalijdr.com

Oladapo, V. (2014). The impact of talent management on retention. *Journal of Business Studies Quarterly, 5*(3), 19-36. Retrieved from http://jbsq.org/

Rehman, S. U., Shareef, A., Mahmood, A., & Ishaque, A. (2012). Perceived leadership styles and organizational commitment. *Interdisciplinary Journal of Contemporary Research in Business, 4*, 616-627. Retrieved from www.ijcrb.webs.com

Samuel, K. (2013). The effects of change management in an organisation: A case study of National University of Rwanda (Nur). *Wyno Journal of Management and BusinessStudies, 1*, 1. Retrieved from http://www.wynoacademicjournals.org/management_biz.html

Sani, A. (2013). Role of procedural justice, organizational commitment, and job satisfaction on job performance: The mediating effects of organizational citizenship behavior. *International Journal of Business & Management, 8*(15), 5767. doi:10.5539/ijbm.v8n15p57

Secara, C. G. (2014). Job – Between stability and satisfaction. Economics, Management & Financial Markets, 9, 318-322. Retrieved from http://http://addletonacademicpublishers.com/index.php

Srivastava, S. (2013). Job satisfaction and organizational commitment relationship: Effect of personality variables. *Vision, 17*, 159-167. doi:10.1177/0972262912483529

Steers, R.M. (1977). Antecedents and outcomes of organizational commitment. *Administrative Science Quarterly, 22*(1): 46 – 56.

Tews, M. J., Stafford, K., &, Michel, J. W. (2014). Life happens and people matter: Critical events, constituent attachment, and turnover among part-time hospitality employees. *International Journal of Hospitality Management, 38*, 99-105. doi: 10.1016/j.ijhm.2014.01.005

Tzabbar, D., &, Kehoe, R. (2014). Can opportunity emerge from disarray? An examination of exploration and exploitation following star scientist turnover. *Journal of Management, 40*, 449-482. doi:10.1177/0149206313513613

Vijayakumar, J. (2012). The retention strategies of employees of IT industries. *International Journal of Research in Social Sciences, 2*, 98-131. Retrieved from http://isca.in/IJSS