

Human Resource Management

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Strategies and Models for the Retention of Staff

An Assessment of current Policies and Strategies
for the Retention of qualified and experienced Staff in Commercial
Companies, Humanitarian Organizations and in Organizations active in
International Co-operation.

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SUMMARY

Aims: This descriptive study aims to identify the current staff retention strategies and looks at the differences between commercial companies, humanitarian organizations & organizations active in international co-operation.

Methods: The data collection was obtained from a review of the literature, replies to a questionnaire dispatched worldwide to 300 commercial companies and to 300 humanitarian organizations & organizations active in international co-operation, and from replies to 20 interviews with persons currently working for companies or organizations. A self-administered questionnaire survey was conducted in June-August 2002. The response rate was 6.3% among companies and 14.6% among organizations. The total response rate of both target groups was 10.5 %.

Main Findings: There are major differences in the perception of employers and staff (employees) concerning problems in the recruitment of staff, difficulties in the retention of staff, reasons why employees are leaving, and in suggestions for improvements in the retention of staff. In the employer point of view factors like salary or career options are very important for the retention of staff. In contrast the staff point of view indicates that an interesting and satisfying work is one of the most important points. From the employers point of view the main reasons for leaving are other challenges, personal-, career- and salary reasons. This does not correspond with the staff point of view, where problems at the workplace, stress, career and salary reasons, work conditions and HRM were mentioned. To influence the retention of qualified and experienced staff, employers suggested improvements in HRM, salary, career options, training&education, development of institution, work conditions and in the evaluation system. From a staff point of view improvements are needed in HRM, work conditions, salary&bonus system, education, career and to have new challenges. Other differences were found in the importance of staff retention management: In over 50% of the companies and in 32% of the organizations the *staff retention management* has become more important during the last years. In 44% of the companies and in more than 50% of the organizations the staff retention management remained the same. There is a difference between companies and organizations in *how to influence the retention*

of staff. 68% of the companies and 45% of the organizations have a staff retention policy. *Employee satisfaction surveys* are conducted by 53% of the companies and by 32% of the organizations. 11% of the companies and 18% of the organizations do nothing to retain their staff. Companies have better *contract conditions* than organizations, especially the insurance packages are not adequate within a large number of the organizations. The *kind of contract* can be chosen in 42% of the companies and in 11% of the organizations. *Special contracts* like retainer-, flexible-, consultancy- and internship contracts are almost not offered by both target groups. Companies have higher *salaries* than organizations: competitive salaries are offered by 63% of the companies and by 32% of the organizations. Companies work more often with *bonus, incentives and reward strategies* than organizations: 63% of the companies and 5% of the organizations offer monetary incentives or financial rewards. Non-monetary incentives or non-financial rewards are offered by 32% of the companies and by 16% of the organizations. *Career development plans* are common in more than 50% of the companies and in 32% of the organizations. *Regular evaluations* are carried out by less than 50% of the companies and organizations. *Exit interviews* as are carried out in less than 50% of the companies and organizations. 16% of the responding companies have a *training policy*, none of the responding organizations mentioned this.

Conclusions & Recommendations: Exact and detailed figures on the reasons why employees are leaving are often not available in companies and organizations, and the staff point of view seems to be neglected. In order to improve the retention of qualified and experienced staff in companies and in organizations, the following recommendations could be derived from this study:

- Staff satisfaction surveys should be carried out on a regular basis.
- Exit interviews should be set up as a regular procedure.
- A systematically and detailed data collection should be set up.
- A turnover analysis should be put in place, based on above collected data.
- On the basis of the collected information, the key retention factors could be elicited and action could be taken by setting up a flexible staff retention policy, tailored to each company and organization.