

**CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED
EMPLOYEES IN A NAMIBIAN BANK**

by

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DECLARATION

I declare that **CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES IN A NAMIBIAN BANK** is my own work. All the sources used or quoted have been indicated and acknowledged by means of complete references. This work has not been submitted for any other degree at any other institution. On 21 February 2017, the dissertation was subjected to originality testing using Turnitin. The result of this testing showed a similarity index of 14%.

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28 February 2017

DEDICATION

This dissertation is dedicated to the loving memory of my two strong pillars, my late beloved grandmother, **Getrud Kanjagate Kaitiombiri**, and my late mother, **Elizabeth Kape Kaizemi**. I will forever be grateful for their constant encouragement, support and guidance that have greatly inspired me to achieve greater heights in my life both professionally and academically. They played instrumental roles in my life; both immensely contributed to the person that I am today.

The foundation laid by my two heroines in my life was the best thing that ever happened to me.

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For I can do everything through Christ, who gives me strength. Philippians 4.13

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ABSTRACT

The purpose of this study was to explore and describe the challenges that a Namibian bank faced in recruiting and retaining skilled employees. The study adopted a qualitative research approach and the data were collected through face-to-face interviews with 20 participants from the Namibian bank. The researcher used the Five-Phased Data Analysis Cycle as described by Yin (2011) to analyse the data. Ensuring trustworthiness, the researcher used Guba's Model of Trustworthiness as cited by Krefting (1990).

The major findings of the study were the shortcomings in the Namibian bank remuneration structure, lack of training and no employee recognition. The recommendations of the study are that the Namibian bank needs to implement training and development for its employees, review its remuneration structure and demonstrate appreciation of staff by showing recognition, better salaries and incentives.

Key terms: Banks; critical skills; cross border recruitments; recruitment; retention; labour market; non-bank financial intermediaries; skilled worker; skills shortages; talent management.

LIST OF ACRONYMS

ANU	Australian National University
BSG	Boston Consulting Group
CIPD	Chartered Institute of Personnel and Development
GDP	Gross Domestic Product
HIV/AIDS	Human Immune Deficiency Virus and Acquired Immune Deficiency Syndrome
HRM	Human Resource Management
HRP	Human Resource Planning
INSEAD	Institute of European Administration
KSAE	Knowledge, Skills, Attitude and Experience
LARRI	Labour Resource and Research Institute
MNCs	Multinational Companies
NBBM	Namibian Bank Branch Manager
NBFM	Namibian Bank Functional Manager
NBHRM	Namibian Bank Human Resource Manager
NBSE	Namibian Bank Strategic Executive
RBV	Resource Based View
SCORD	Standing Committee on Regional Development
SPSS	Statistical Package for Social Sciences
UNISA	University of South Africa
VET	Vocational Education and Training

LIST OF FIGURES

Figure 2.1:	Effective Talent Management Model	29
Figure 2.2:	Strategic Human Resources Planning Model	39
Figure 2.3:	Factors impacting on Attraction and Retention of Skilled Workers	56
Figure 4.1:	Gender Distribution	90
Figure 4.2:	Age Distribution	90
Figure 4.3:	Participants' Work Experience	91

LIST OF TABLES

Table 2.1:	Old Reality versus new Reality of Talent	26
Table 2.2:	Relationship between Resource-based View and Human Resource Management practices	60
Table 3.1:	Comparative Analysis of Qualitative and Quantitative Research	72
Table 3.2	The target population and the participants in this study	78
Table 3.3	Unique codes allocated to participants according to their categories	82
Table 4.1:	Themes, sub-themes and categories identified	93

TABLE OF CONTENTS	PAGE
DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
LIST OF ACRONYMS	v
LIST OF FIGURES	vi
LIST OF TABLES	vii
CHAPTER 1	1
INTRODUCTION AND OVERVIEW OF THE STUDY	1
1.1 INTRODUCTION.....	1
1.2 BACKGROUND, PROBLEM STATEMENT AND RATIONALE FOR THE STUDY	1
1.2.1 The Namibian bank	4
1.3 PROBLEM STATEMENT AND RATIONALE FOR THIS STUDY	11
1.4 RESEARCH QUESTIONS	13
1.5 RESEARCH AIM AND OBJECTIVES	13
1.6 RESEARCH METHODOLOGY AND DESIGN	14
1.7 RESEARCH METHOD.....	14
1.7.1 Population, sampling and sampling method	15
1.7.2 Data collection process	15
1.7.3 Data analysis and trustworthiness	16
1.8 ETHICAL CONSIDERATIONS	16
1.9 DEFINITIONS OF KEY CONCEPTS	17

1.9.1	Banks	17
1.9.2	Critical skills	18
1.9.3	Cross border recruitments	18
1.9.4	Recruitment or talent recruitment	18
1.9.5	Retention or talent retention	18
1.9.6	Labour market	18
1.9.7	Non-bank financial intermediaries	18
1.9.8	Skilled or talented worker	19
1.9.10	Skills shortages	19
1.9.11	Talent	19
1.9.12	Talent management	19
1.10	SIGNIFICANCE OF THE STUDY	19
1.11	LIMITATIONS OF THE STUDY	20
1.12	DELIMITATIONS OF THE STUDY	20
1.13	LAYOUT OF THE CHAPTERS.....	20
1.14	SUMMARY.....	21
CHAPTER 2		23
RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES		23
2.1	INTRODUCTION.....	23
2.2	OVERVIEW ON TALENT MANAGEMENT	23
2.3	IMPORTANCE OF TALENT MANAGEMENT	26
2.4	OVERVIEW OF SKILLS SHORTAGES.....	31
2.5	RECRUITMENT OVERVIEW.....	34
2.6	FACTORS GOVERNING RECRUITMENT	36
2.6.1	External Factors	36
2.6.2	Internal Factors	36

2.6.3	A Strategic Human Resources Planning Model	38
2.7	ORGANISATIONAL RECRUITMENT STRATEGIES.....	40
2.7.1	Internal sources and methods of recruitment	40
2.7.2	External sources and methods of recruitment	41
2.8	ADVANTAGES AND DISADVANTAGES OF RECRUITMENT SOURCES..	44
2.8.1	Internal Recruitments	44
2.8.2	External Recruitments	44
2.9	IMPORTANCE OF RECRUITING SKILLED EMPLOYEES	46
2.10	ROLES OF GOVERNMENT AND ORGANISATIONS	47
2.11	FACTORS INFLUENCING THE ATTRACTION AND RETENTION OF CRITICAL SKILLS.....	48
2.11.1	Performance-oriented financial incentives	50
2.11.2	Individual career management	50
2.11.3	Idiosyncratic job design	50
2.11.4	Limited/no networking opportunities within the organisation	50
2.11.5	No new employees' induction programme	51
2.12	GUIDELINES FOR MITIGATING THE CHALLENGES OF RECRUITMENT	57
2.13	RETENTION OF SKILLED EMPLOYEES	59
2.14	IMPORTANCE OF MANAGING RETENTION OF SKILLED EMPLOYEES	60
2.15	KEY STRATEGIES FOR EFFECTIVE RETENTION	62
2.16	PERFORMANCE MANAGEMENT	64
2.16.1	Employee development	65
2.16.2	Employee empowerment	66
2.16.3	Employee retention	66
2.16.4	Employee motivation	67
2.17	ORGANISATIONAL CULTURE	67
2.18	FACTORS THAT CONTRIBUTE TO STAFF TURNOVER	68

2.19 SUMMARY.....	69
CHAPTER 3	70
RESEARCH METHODOLOGY AND DESIGN	70
3.1 INTRODUCTION	70
3.2 RESEARCH METHODOLOGY	70
3.3 RESEARCH DESIGNS.....	73
3.4 RESEARCH PHILOSOPHY	74
3.5 RESEARCH METHOD	75
3.5.1 Population of the Study	75
3.5.2 Sampling technique and procedure	75
3.5.3 Sample size	76
3.6 DATA COLLECTION.....	77
3.6.1 Permissions for conducting the study	77
3.6.2 Data collection method and instrument	77
3.6.3 Preparation of the participants	78
3.6.4 Data collection process	79
3.6.5 Pilot Study	80
3.6.6 Data analysis	80
3.6.7 Data verification	83
3.7 ETHICAL CONSIDERATIONS	84
3.8 DOCUMENT ANALYSIS	86
3.9 SUMMARY	87
CHAPTER 4	88
DATA ANALYSIS AND PRESENTATION	88
4.1 INTRODUCTION.....	88
4.2 BIOGRAPHICAL DATA OF THE PARTICIPANTS	89

4.3	DISCUSSION OF RESEARCH FINDINGS.....	90
4.4.1	Theme 1: Bank employees' opinions of the bank's recruitment strategies related to skilled staff	94
4.4.2	Theme 2: Bank employees' opinions of the bank's retention strategies related to skilled staff	102
4.4.3	Theme 3: Bank employees' opinions of the staff turnover of skilled staff at the bank	109
4.5	SUMMARY OF THE SIMILARITIES AND DIFFERENCES BETWEEN PARTICIPANTS' CATEGORIES	122
4.6	CHAPTER SUMMARY	124
CHAPTER 5		126
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS		126
5.1	INTRODUCTION.....	126
5.2	RESEARCH QUESTIONS	127
5.3	SUMMARY OF THE FINDINGS OF THE STUDY	127
5.3.1	Recruitment challenges at the Namibian bank	127
5.3.2	Retention challenges at the Namibian bank	128
5.3.3	Turnover challenges at the Namibian bank	130
5.4	CONCLUSIONS.....	130
5.4.1	Recruitment challenges at the Namibian bank	130
5.4.2	Retention challenges at the Namibian bank	131
5.4.3	Turnover challenges at the Namibian bank	131
5.5	RECOMMENDATIONS.....	132
5.5.1	The bank to change its remuneration structure	132
5.5.2	The Namibian bank to implement training and development programmes	132
5.5.3	Demonstrating appreciation for staff by showing recognition, better salaries and incentives	133
5.6	SUGGESTIONS FOR FUTURE RESEARCH.....	133

LIST OF REFERENCES.....	134
Appendix 1: Organisational Consent Letters	152
Appendix 2: Interview Guide.....	156
Appendix 3: Participant Information Sheet	158
Appendix 4: UNISA Ethics Clearance Approval	165
Appendix 5: Confidentiality Agreement with Coder	167
Appendix 6: Confidentiality Agreement with Transcriber	168
Appendix 7: Main interview transcribed data – NBSE3.....	169

CHAPTER 1

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

This chapter covers the background of the study, rationale for the study, research problem, research questions and research objectives. Chapter 1 also describes the research methodology and design, definitions of key concepts, significance of the study, limitations and delimitations of the study. Finally, the chapter presents a brief explanation of ethical considerations, the layout of all the chapters and a brief summary.

1.2 BACKGROUND, PROBLEM STATEMENT AND RATIONALE FOR THE STUDY

Banking institutions operate in a very dynamic, competitive and unpredictable environment and constantly compete for skilled employees. This is because the labour market has a shortage of specialised skills required to effectively execute banking operations. The attraction, retention and development of skilled banking employees need to be given priority from a strategic point of view because it is through the employees' performance that banking institutions can achieve their strategic objectives.

Modern organisations are very competitive in that organisations with competent employees are able to achieve competitive advantage. The key success of banking institutions in terms of performance, growth and sustained competitive advantage is as a result of the quality and competency of skilled employees (Noe, Holenbeck, Gerhart & Wright, 2015). Onah and Anikwe (2016) are of opinion that an organisation's employees can be regarded as the primary reason of competitive advantage, and effective attraction is key to development, integration and retention of skilled employees.

Recruitment of skilled employees is one of the critical human resources functions. However, most organisations today face major challenges to retain their highly skilled and talented employees. In the global era, retaining human resources requires that organisations should embark upon special skills and strategies in order to achieve its objectives. According to Stan (2012), some issues cited as contributors to the high attrition rate are the lack of developmental prospects, low salaries, failure to adjust to the organisation and high turnover. This study explored and described the challenges of recruitment and retention of

skilled employees in a Namibian bank, which has had difficulties in recruiting and retaining skilled employees.

According to the Namibia Vision 2030 (2004), it is argued that retaining skilled employees in Namibian organisations is challenging because of various factors such as the battle for talent, skills shortages, employee movement, retirement and the prevalence of the Human Immune Deficiency Virus and Acquired Immune Deficiency Syndrome (HIV/AIDS) epidemic.

Talent management plays an important function in the recruitment and retention of employees. Eva (2015) defines talent management as the establishment of integrated approaches to enhance work force productivity through alluring talent pool, continuously developing, keeping, promoting and utilise them with diversified skills and thus achieve complex business requirements. Talent retention also refers to the employers' efforts to produce a conducive working environment and further enable the employees to stay with the organisation for a longer period and attain organisational objectives (Vatne & Torgersen, 2014).

Globally, many human resources practitioners have realised the importance of effective and efficient talent management by developing integrated strategies and systems in order to cultivate a high performance culture. Organisations can achieve that by recruiting employees with the right skills, which eventually assist in meeting their current and future organisational objectives. Proponents of the resource-based view have contended that tangible resources can be copied and therefore is not likely to become a source of sustainable competitive advantage. However, skilled employees are often difficult to replace, due to limited supply, specialisation and tacit knowledge. Aviad (2016) argues that one of the retention strategies that most organisations embark upon is the resource-based view, which focuses on training, development, performance management, progression and career management.

The primary challenges facing many organisations today is to understand the reasons why employees leave organisations as that will assist them to devise more rigorous strategies to retain the key skilled employees. On the other hand, it is equally important to understand the aspects that influence retention of skilled labour as it assists organisations in retaining the skilled employees.

In April 2014, the Namibia Training Authority implemented the vocational education and training (VET) levy. The VET levy is aimed to provide the Namibian industry with the opportunity to become involved in vocational education and training in order to address the scarcity of skilled workers. This effort is also aimed at supporting the development and transformation of the country's economy into a knowledge-based economy by 2030. The main aim of the levy is to promote vocational education and training. The said levy is compulsory for organisations that record a payroll of more than N\$1 million per year. The levy rate is 1% of the employer's total annual payroll (Namibia Training Authority Stakeholder Newsletter, 2014).

In order for Namibia to become globally competitive and witness economic growth, it is imperative to have an appropriate skills complement across the different segments within an economy including the financial industry given the role it plays in the Namibian economy. According to the National Human Resource Plan (2010-2025), Namibia has experienced a shortage of skilled staff and specialist expertise for several years and the country continues to witness a steady decline in economic growth. The Bank of Namibia Economic Outlook (2015) reported that the economic growth in 2012 was recorded at 5.7%; however in 2014, it stood at 4.5%, and it slowed down to 3.3% in 2015. This has been particularly the case within the financial industry.

The banking industry in Namibia has for many years been one of the pillars of economic development (Bank of Namibia, Annual Report, 2015). According to the Bank of Namibia, the financial services sector (which includes banks and insurance organisations) contributed an average of 6% of the Gross Domestic Product (GDP) in 2014 and the sector as a whole has been growing at an annual rate of 8.9% (Bank of Namibia Annual Report, 2015). However, a decline of the financial sector's contribution to GDP growth has been recorded as per the latest statistics largely reflecting strained revenues in a context of historically low interest rates. According to the Bank of Namibia Economic Outlook (2014), the financial sector's contribution to Gross Domestic Product (GDP) declined from 6.2% recorded in 2013 to 5.6% recorded in 2014. Any sector's contribution to annual GDP refers to the growth of value added in the sector for a given year. Value added is the sum of wages paid, profits earned, and taxes paid (Bank of Namibia Economic Outlook, 2014).

The Namibian banking industry comprises the central bank, namely the Bank of Namibia being the regulator, and the commercial banks. The commercial banks in Namibia are regulated by the Bank of Namibia as stipulated in the Bank of Namibia Act 15 of 1998 as

amended. The commercial banks provide banking services to the Namibian public. Both these institutions are key strategic levers of economic development and should have the necessary skills. Behera (2016) emphasises the importance of organisations in attracting and recruiting skilled employees by focusing on an integrated talent management process. The said process, amongst others, entails aspects such as talent-gap analysis, attraction, selection, succession planning, workforce planning, training and employee development, talent reviews and evaluation. In view of the aforesaid, it can be deduced that talent management is a fully-fledged process which not only controls the attraction of employees to an organisation, but also his or her departure from the organisation. Talent management has become an essential aspect in building a sustained competitive advantage for organisations.

1.2.1 The Namibian bank

A commercial bank is an institution that deals with financial resources in an economy of a country and thus, it is required to perform at its optimal level. This does not exclude the Namibian commercial banks, which are also required at a global competitive level to perform effectively, efficiently and productively in terms of financial management and credit provisioning. According to the Bank of Namibia Annual Report (2015), besides making profit and contributing to financial stability, the Banks are also required to contribute to economic growth and development of the country and combat money laundering through skilled banking employees.

The Namibian bank under study in this research is a commercial bank which is licenced and duly supervised by the Bank of Namibia in line with the Banking Institutions Act 1998, (Act No.2 of 1998 as amended). The said commercial bank is classified as one of the main four commercial banks in Namibia given its balance sheet (Namibia Banking Review Report, 2014). The Bank is a subsidiary of a banking group in South Africa and is regarded as one of the four biggest banks in terms of assets. The said commercial bank also has a solid deposit franchise with over seven million clients (Namibian Bank Group Limited Annual Report, 2015).

Since 1969, the Bank has been listed on the Johannesburg Stock Exchange as well as on the Namibian Stock Exchange in 2007. The Bank with its ordinary shares listed has recorded a market capitalisation of approximately R93 billion as of 31 December 2015 (Namibian

Bank Group Limited Annual Report, 2015). In addition to the above, the Namibian Bank has total assets worth N\$13.8 billion. The said Bank has a retail branch network of 17 branches in various towns across Namibia and seven banking halls in Windhoek alone. The Namibian Bank Annual Report (2015) indicated that the Namibian bank offers a variety of products which amongst others entail corporate and retail banking services, short term and long term insurance, wealth management as well as property management.

1.2.1.1 Scarce banking skills shortages in Namibia

Economic growth is generally expected to increase employment levels and contribute to poverty reduction. However, in Namibia, the unemployment rate increased from 27.4% in 2012 to 28.1% in 2014 (Namibia Labour Force Survey, 2015). Nevertheless, a drop of 0.5% was noted in 2013.

Given the historical failure of economic growth to translate into employment growth in Namibia, the former President of the Republic of Namibia, Dr. Sam Nujoma, in 2004, crafted Namibia's long-term vision, namely Vision 2030. One of the objectives of this vision is the human capital development strategy to transform Namibia into an industrialised and globally competitive country (National Human Resources Plan 2010-2025).

In order for Namibia to become an industrialised country, there is a need to address the problem of skills shortages across all sectors of the Namibian economy. Previous studies conducted in 2009 and 2011 (Namibia Business and Investment Climate Survey (NAMBIC), 2009; 2011), revealed that the shortage of talented employees was highlighted as the main hindrance to business advancement.

According to the Namibia Skills Deficits Report (2011), the Namibian Employers' Federation carried out a study to gauge the perceptions and experiences of employers on skills deficit in Namibia. The aforesaid study revealed that 96% of employers across various sectors confirmed that Namibia was experiencing a skills deficit, with 51% of the employers identifying such a shortage as critical. Skills shortages are more prominent when employers require specialised or professional skills; however there is not enough supply of skilled employees within the market.

Skills shortage is a serious challenge which hampers organisational competitiveness, performance and growth (Masibigiri & Nienaber, 2011). According to Namibia Skills Deficit Report (2011), 53% of the participants' views were that Namibia is indeed facing a skills shortage and the situation could worsen within the next five years. Some recommendations were made in an attempt to address the skills shortage problem in Namibia. One recommendation entailed a comprehensive sector-by-sector skills audit to be carried out of which such findings could assist in crafting a National Skills Development Policy and Plan. The other recommendation was to get the buy-in of the private sector to assess and implement strategies which could mitigate the worsening skills shortage in Namibia.

In addition, the Global Competitiveness Report of 2012-2013 (2013) rated Namibia as 127th out of 144 countries for the availability of scientists, engineers, information technology and finance experts, thus making it a challenging aspect for doing business with Namibia given the inadequately skilled workforce. In order to understand the linkages between economic development and employment, it is vital to understand the Namibian labour market structure.

The Republic of Namibia gained its independence after 106 years of colonial rule on 21 March 1990 and as a result of the colonial rule, an indelible mark was left on the face of the country, socially, economically and environmentally. Namibia inherited from its colonial past and apartheid regime a skewed distribution of wealth, a huge skills deficit and a highly segmented labour market (National Human Resources Plan 2010-2025). Therefore, Namibia's Vision 2030 (2004), the national document which was crafted in 2004 aimed to address such economic and social imbalances with the aim to grow the economy by facilitating the introduction of previously disadvantaged groups.

Namibia Labour Force Survey (2014) revealed that the financial sector in Namibia which includes the banking industry employs 51.1% of the total employed persons; hence this demonstrates clearly the important role of the financial sector in employment creation. In the financial sector, one of the main sources of profit earnings is interest income on loans from Banks (Namibian Bank Annual Report, 2015). In recent years, the historically low nominal interest rates in Namibia (and around the world) have put a brake on Banks' profit growth. With wages and taxes generally unchanged, the reduction in profit growth has lowered the growth of overall value added in the financial sector. The Bank of Namibia

Economic Outlook (2016) showed that low interest rates do not stimulate aggregate demand and job growth and thus affect labour supply in the Namibian banking industry.

Due to low interest rates, the price of the banks' products (i.e. home loans, vehicle loans and overdrafts) increases and so demand for it increases as well. The Banks offer more products to their clients but at lower rates which thus affects the Bank's overall profitability and sustainability. In the Namibian economy, the most prevalent during recession periods is that the skilled employees opt to exit the labour market to venture into private businesses and such behaviour tends to have a negative impact on the Namibian banking industry's skilled labour force (Namibia Skills Deficit Report, 2011).

The banking industry is critical to the Namibian economy and as a strong financial sector it is the main source of capital formation and provision in all economies. Given the severe shortages of skilled labour in Namibia (Namibia Skills Deficits Report, 2011), this study remains an indispensable study.

The financial sector consists of highly skilled and experienced employees with specialist knowledge about how to translate opportunities into growth opportunities, not only for the banking industry, but also for the country in general (Namibia Vision 2030, 2004). Such knowledge and capacity must be retained if the country is going to realise its growth potential and develop local expertise.

One of the key objectives of Namibia, stated in the Vision 2030 plan, is to transform its economy from a developing economy into a knowledge-based economy (Namibia Vision 2030, 2004). A knowledge-based economy is termed as a progressive economy which aims to achieve more dependence on knowledge, information and high employee competency levels (Dubina, Carayannis & Campbell, 2012). The success of this goal to a large extent is dependent on the availability of skilled labour in all sectors of the economy to propel Namibia into a knowledge-based economy. Since one of the major problems facing Namibia is a shortage of skilled labour (Education and Training Sector Improvement Program, 2007), that shortage could hinder the realisation of Namibia's goal of striving to be a knowledge-based economy by 2030.

Anitha (2014) argues that a shortage of skilled labour could significantly affect the long-term productivity of banks. Also a lack of skilled labour could result in banks being less

competitive in comparison to regional banks, that is, without skilled labour, banks may not be able to provide customers with new innovative products or even maintain their present level of service such as those found in developed countries (Harvey, 2012). These factors could negatively affect long-term profitability of Namibian banks.

According to Aring (2012), who reviewed literature of 120 employer surveys from developed countries (for example China, Japan, Australia and New Zealand) to developing countries (for example Egypt, Botswana, Brazil, Columbia and Jordan) in the banking sector, described some of the causes for the skills mismatch and unpacked the term “unemployable” used by the employers. The findings from the aforesaid study revealed that in both developed and developing countries, skills gaps in the banking sector are constraining organisations’ ability to grow, innovate and deliver quality products and services timely. A developed country refers to a country whose service sector produces more wealth in comparison to the industrial sector while the developing country is one that is still in the process of industrialisation (Samans *et al.*, 2015).

According to LARRI (2014), poor employee retention may have long-term adverse effects on the organisation, namely:

- Separation costs - Facing economic shocks, many organisations usually decide to terminate some workers. This result in separation costs. These costs are the costs of laying-off employees in an organisation. The need to lay-off workers may be due to numerous reasons including, but not limited to shifting of location, increase in the degree of automation in work, selling of capacity and/or downsizing or closing of one or more departments or divisions of the organisation.
- Training and development costs for new employees - Employee training and development has gained a great momentum as organisations are heavily relying on the knowledge and skills of their employees to drive organisational performance. Sinha and Shukla (2013) contend that training is a key element required for the enhancement of new employee talents. The said authors further point out that costs for training and development have increased significantly over the years in many organisations.
- Vacancy costs - This is very common in regions where skills shortages are prevalent and where retention is common challenges for many organisations.

- Placement costs - All placements will carry a decent training allowance. This comes with additional costs to the Namibian bank.
- Morale effects - Generally speaking, happy employees mean happy customers and good results. Employees with high morale are better than employees with low morale, and this boosts performance of the organisation.
- Attrition costs - These are costs associated with turnover. Attrition costs are not visible to the management and senior executives, but still, they are real in organisations.

The next section explains in detail on the theoretical perspectives of the challenges of recruitment and retention in the banking industry in Namibia, particularly the Namibian bank.

1.2.1.2 Theoretical Study on Recruitment and Retention

The existence and survival of any organisation is highly dependent on having the right employees with the required skills to execute their tasks in order for an organisation to succeed (Mohlala, Goldman & Goosen, 2012). Nowadays one of the key challenges facing many organisations is by what method to retain skilled or talented employees. Some organisations according to Pietersen and Oni (2014), consistently experience a high staff turnover rate given that the best employees are constantly offered new jobs, making it difficult to retain them over longer periods of time. Onah and Anikwe (2016) further argue that some contributing factors to high turnover in organisations is the brain drain, gender gap, unattractive salary packages and lack of adequate and training and development.

Behera (2016) defines scarcity of talent as a phenomenon across the world given the ever-changing nature of work. The constant pressures by global organisations to find the best talent are a serious challenge given that the demand and supply for skilled employees fluctuate in different economies and sectors overtime. Skilled employees tend to deliver remarkable performances and therefore in most instances are generally admired and treated as gems by organisations (Chopra & Mittar, 2016). Talent is professed as something valuable, rare and difficult to imitate and thus talented employees can be viewed as strategic tools for organisations.

According to Grobler *et al.* (2012), the first few decades of the twentieth century witnessed a decline in the supply of labour in some markets due to declining birth rates, talent flow and managing of two generations of employees. In a study carried out by Boston Consulting

Group (BSG, 2003), a shortfall in skilled labour worldwide of the order of 60 million by the year 2020 was estimated. Further still, BSG (2003) posits that countries that will face the labour shortages are Japan, China, Russia, Germany, France, Spain and United Kingdom, all estimated each to have a shortfall not below 2 million. Surely, this shortage of skilled labour can be felt in Namibia's banking sector, just as it is elsewhere in the global village.

Another study that was done by Michaels, Handfield-Jones and Axelrod, (2001) also cite the anticipated skills shortage crisis, of which talent will be the main business resource which will eventually be difficult to find. One of the recommendations made from this was for organisations going forward to find more creative ways and thus attract and retain its talented employees. The study revealed that 75% of the organisations did not have enough talent, which is evident that a skills shortage is a serious challenge affecting a lot of organisations worldwide.

Grobler and Diedericks (2009) believe that the generation "X" employees, which are the people born between 1960 and 1980, form the major part of the workforce today and hence there is a need for organisations to devise strategies to motivate and retain these employees; flexible working arrangements should be used in the retention of talent. The aforesaid two researchers further cite some benefits of flexible work practices for employees such as higher productivity, increased morale, lower absenteeism and most importantly lower staff turnover.

In addition to the aforesaid, there are various other factors that are identified with regard to talent retention such as career development, growth opportunities, favourable working conditions, high performance work culture, strong employer brand, recognition and competitive financial rewards. Hejase, Hejase, Milkdashy and Bazeih (2016) cite that other elements contribute to an effective talent management process which amongst others includes the need for senior management to view talent as a strategic asset, on-going communication as well as the alignment of the organisational vision, culture and overall strategy to the talent management process.

Formation and safeguarding of knowledge are regarded as key strategies in enhancing competitiveness and organisational capabilities which enable organisations to respond to market changes. Thus recruiting and retaining a skilled workforce are vital to long-term organisational success and as such result in a deeply embedded organisational culture,

knowledge, increased revenue, customer satisfaction and a well-executed succession planning (Chikumbi, 2011).

The literature review revealed that the Namibian bank is experiencing a high staff turnover in comparison to its competitors. Furthermore, a year report of the Bank of Namibia (2015) showed that the average staff turnover rate is 5.97% compared to the industry turnover rate of 4.64%. This information demonstrates that the Namibian bank is not performing at its desired level due to skills shortages. It is therefore critical to conduct a study on the Namibian bank about the challenges of recruitment and retention the Bank may be facing.

1.3 PROBLEM STATEMENT AND RATIONALE FOR THIS STUDY

Namibia is facing significant shortages of skilled labour in most key sectors of the economy, which includes the banking industry (Education and Training Sector Improvement Program, 2007; Namibia Skills Deficits Report, 2011; Akhigbe, 2013). As a result, some Namibian organisations and the public sector which is one of the biggest importers of expatriates have had to extend their recruitment efforts to labour markets abroad (Cameron & Harrison, 2013).

This Namibian bank is one such organisation in Namibia that has experienced an increase in shortages of skilled labour. The Bank is facing an increased challenge of recruiting skilled labour from abroad, due to scarce skilled employees in the local banking sector. The specialists in areas such as finance, treasury and the executive office are in most instances recruited from South Africa under the expatriates' arrangements that exist in the Bank (Namibian Bank Annual Report (2015). The Bank continues to face challenges of recruiting and retaining skilled employees in Namibia. It is not known why the Bank continues to face such challenges. Neither the bank nor the government has commissioned studies to explore the recruitment and retention challenges facing the Namibian bank and industry in order to determine the causes.

It should be noted that the banking industry is vital to the success and growth of the Namibian economy in general. The banking sector is the main source of capital formation and contributes about twenty-seven percent (27%) to the Gross Domestic Product (GDP). The growing rate of staff turnover at the Namibian bank and the persistent challenges of recruitment and retention which the Bank continues to experience is a worrisome trend. The

results revealed by the Bank of Namibia (2015) showed that the average staff turnover rate of this Namibian bank is 5.97% compared to the industry turnover rate of 4.64%.

According to the Namibian Bank Annual Report (2015), the Namibian bank continues to face challenges of the recruitment and retention of skilled employees. The Namibian bank cited that people risk stems from inadequate skills and lack of knowledge vis-à-vis a reward system that fails to motivate properly. The Namibian Bank Annual Report (2015) further revealed that the Namibian bank continues to send their employees to South Africa for a year on skills exchange programmes to gain exposure in the retail, business, corporate, credit and treasury fields.

Retention of skilled employees especially at the senior management level appears to be a concern at the Namibian bank given the high staff turnover. The statistics revealed by the Bank of Namibia (2015) indicated that the general staff turnover at the Namibian bank for the past two financial years being 2012 and 2013 stood at 16.6% whilst the entire banking industry average was 12.1% and 13.3% respectively. The current executive management team of the Bank consists of a team of nine staff members and out of the nine, only five are Namibians and the rest are expatriates recruited from South Africa (Namibia Bank Annual Report, 2013). Three of the top management staff members have only been in their current positions since 2012/3, although the said staff members possess an extensive wealth of knowledge and experience in the Banking industry and hence a need to retain the said staff members. Research focusing on recruitment and retention is vital for organisational success and growth, especially at the executive level given that these employees are the key drivers in steering the organisation in the right direction, and thus, attaining its strategic objectives.

As a result, the growing rate of staff turnover at the Namibian bank and the persistent challenges which the Bank continues to experience remain worrying to the researcher and other employees. The aforesaid factors have motivated the researcher to carry out a research study of this kind in order to find out why the challenges and increased rate of turnover continue to grow. The study is also an attempt to obtain understanding and insight into the Bank's recruitment and retention challenges.

If the challenges of recruitment and retention are not addressed, this can negatively affect the Bank's performance in terms of growth and sustained profitability. In 2007, the Namibian bank's market share stood at 15.2%, whereas as at 31 December 2015, its market share

dropped to 13.4% (Bank of Namibia, 2015), compared to its peers' market share which stood at 23.9%, 30.2% and 32.5% respectively. Adequate human resources strategies are essential for private institutions given that excellent service is the key determining factor in such industries. In addition to the previously mentioned, the employees during the informal discussions indicated that the Namibian bank experiences a lot challenges in terms of recruiting and retaining skilled employees compared to their peers.

In view of the above, the problem statement for this study is: *The Namibian bank experiences challenges relating to the recruitment and retention of skilled employees.*

As a senior employee at the Namibian bank, the researcher was concerned about the staff-turnover, recruitment and retention of skilled employees. This motivated the researcher to conduct research on this matter in order to formulate suggestions how to address this problem.

1.4 RESEARCH QUESTIONS

The main research question of the study on challenges of recruitment and retention of skilled employees in Namibian bank is as follow:

- What are the challenges of the recruitment and retention of skilled employees at a Namibian Bank?

The secondary questions are as follows:

- What challenges are experienced in the recruitment of skilled employees at a Namibian bank?
- What challenges are experienced in the retention of skilled employees at a Namibian bank?
- How can these challenges be addressed?

1.5 RESEARCH AIM AND OBJECTIVES

The purpose of this study is to explore the challenges that the Namibian bank faced in trying to recruit and retain skilled employees. Therefore, the primary aim of the study was, in search for a solution:

- To explore and describe the challenges of recruitment and retention of skilled employees at a Namibian bank.

The study is also guided by the following sub-objectives or secondary objectives:

- To explore and describe the challenges experienced in the recruitment of skilled employees by the Namibian bank.
- To explore and describe the challenges experienced in the retention of skilled employees by the Namibian bank.
- To formulate suggestions at a Namibian bank to address the challenges of recruitment and retention of skilled employees.

1.6 RESEARCH METHODOLOGY AND DESIGN

Research methodologies are regarded as plans and procedures for research that span the designs from wide-ranging notions to detailed methods used in the data collection and analysis. The quantitative and qualitative research methodologies or approaches are the most popular; followed by the Mixed Method Approach, in which both the first mentioned approaches are used (Creswell, 2013). The research methodology in a study is determined by its design, nature and the means. Based on the first and secondary aims of this study, the approach adopted for this study was qualitative of nature

Within the qualitative approach, the researcher implemented the explorative and descriptive designs. In using the explorative and descriptive research designs, the researcher intendeds to explore, describe and interpret the nature of the challenges of recruitment and retention of skilled employees, in context of the Namibian bank. Saunders, Lewis and Thornhill (2016) indicate that the object of descriptive research is to portray an accurate profile of persons, events or situation. The research philosophy utilised in this study is based on interpretivism, which according to Saunders *et al.* (2016) is said to require the researcher to interpret the various elements of the study. It gives the assumption that admittance to reality is gained through making social constructions like language, feelings and shared meanings. (A detailed discussion about the research methodology is given in Chapter 3 section 3.2.)

1.7 RESEARCH METHOD

In this section the researcher gives an overview of the research method and process followed. The following are briefly discussed: the target population and sampling process;

the data collection method, instrument and process; and data analysis and the trustworthiness of the study.

1.7.1 Population, sampling and sampling method

The population or target population in a research study is determined by the research topic and includes all the individuals who can participate in such study. This research study focused on aspects pertaining to skilled staff in the Namibian bank. Therefore, the population were those employees who were directly involved working with skilled staff, namely the 165 employees at management and senior executive level. From these 165 employees, 25 were branch managers, 125 functional managers, five human resources managers and 10 senior executives.

Taken in consideration the feasibility, time, and money constraints it was not possible to involve all 165 employees in this study. This is why sampling techniques remained indispensable in research. Therefore, the researcher had to select a sample of managers to participate in the study. The researcher used non-random sampling, specifically purposive sampling in determining the participants of the study. In chapter 3, section 3.5.2 the researcher gives a detailed description of this process.

As the sample size is not of importance in qualitative research, this was not pre-determined. Data saturation means that in conducting the semi-structured interviews, the researcher did not get any new information related to this study. Data saturation manifested after the researcher interviewed 20 participants. The researcher discuss this in detail in Chapter 3.

1.7.2 Data collection process

After obtaining the necessary ethical clearance and permission to conduct the research, the researcher prepared the participants for the data collection process. The researcher used individual interviews, using a semi-structured interview guide to collect the data.

The research instrument, namely the semi-structured interview guide, was compiled in conjunction with the researcher's supervisor. The semi-structured interview consisted of six open-ended questions. As per the findings of the study by Saunders *at al.* (2016), the researcher may use an interview guide when conducting face-to-face interviews with the participants.

With the consent of the participants the interviews were recorded. Thereafter it was verbally transcribed to be ready for the data analysis.

1.7.3 Data analysis and trustworthiness

An important aspect of data analysis in qualitative research study is the search for meaning through direct interpretation of what is observed by the researcher as well as what is experienced and reported by the subjects.

The data were analysed using the Five-Phased Data Analysis Cycle as described by Yin (2011), namely compiling, disassembling, reassembling and arraying, interpreting and concluding. The compiling phase was done by the transcribing of the data using a professional transcriber. The data was then disassembled and reassembled using the NVivo software. The researcher and independent coder interpreted the data and the researcher reached some conclusions. This is described in detail in Chapter 4.

Trustworthiness is a moral value considered to be a virtue with regard to the ability, benevolence as well as integrity of a trusted individual (Creswell, 2014). The concept represents the degree of trust of the participant during data collection stage. The researcher used Guba's Model of Trustworthiness as cited by Krefting (1990). This process is in detail described in Chapter 3.

1.8 ETHICAL CONSIDERATIONS

In this study ethical considerations such as informed consent, confidentiality, anonymity, right to privacy and the management of data applied. The researcher obtained written permission from the Namibian bank to carry out the empirical study at the Namibian bank and the participants also gave their consent to participate in the study. Given the nature of banking institutions information, the researcher maintained the strictest confidentiality with all the collected information and protect the identity of the participants. The research was only conducted after the issuance of the ethical clearance by the Unisa Departmental Research and Ethics Committee of the Department of Human Resources Management. The researcher adhered to the UNISA research and ethics policy.

The researcher observed research ethics throughout the study. Israel (2014) states that researchers should not expose research participants to unnecessary physical or psychological harm. Furthermore, Israel (2014) says that researchers must maintain strict confidentiality regarding the quality of the participant's performance. Given that, the ethical issues of participants' rights and privacy were considered in this research. Data gathered in the study remained confidential and anonymous; the participants were given unique codes for identification.

It is important to protect the research data from unauthorised disclosure and alteration of any kind. Primary data collected through face-to-face interviews was recorded on a digital recorder which was protected by a password. The participants were allowed to withdraw from the study if they wanted to, and no coercion to answer the questions was used against the participants.

1.9 DEFINITIONS OF KEY CONCEPTS

Several fundamental concepts used in this study were defined for clarity purposes in order to enable other readers to understand the context and subject matter in which the study took place. Both conceptual and operational definitions were considered.

1.9.1 Banks

In Namibia term 'bank' refers to commercial banks which are financial institutions, licensed, regulated and supervised by the Central Bank of the Republic of Namibia as per the Banking Institutions Act 1998 (Act No. 2 of 1998). The Namibian bank was established under the said Banking Institutions Act and thus classified as a commercial bank in Namibia. The Namibian commercial banks have a legal duty in terms of the Act to maintain, protect customer accounts and provide financial security. Investment banks are however regulated by the Securities and Exchange Commission (Investopedia, 2015). One of the key functions of Investment banks' is to accelerate the acquisition of bonds, stocks and other investment instruments. Commercial banks are required to assume the role of managers for deposit accounts for business and retail clients and further avail various loans from the deposits at their disposal.

1.9.2 Critical skills

According to the Namibia Skills Deficit Report (2011), 'critical skills' is a term that denotes to the demand for an element of applied, foundational or reflexive competence that enables for specialisation within a certain profession.

1.9.3 Cross border recruitments

Cross border recruitments refer to the process whereby the organisations recruit talented employees from across the borders of the country and thus require complex human resource management given the diverse group of employees involved (Ngure, Gatiti & Wanyingi, 2014).

1.9.4 Recruitment or talent recruitment

Recruitment or talent recruitment, according to Alsultanny and Alotaibi (2015) refers to methods and actions carried out by an organisation with the aim to identify and attract talented employees.

1.9.5 Retention or talent retention

Retention or talent retention pertains to strategies that organisations embark upon to prevent valuable employees from resigning (Alsultanny & Alotaibi, 2015).

1.9.6 Labour market

According to Harvey (2012), labour market refers to a place where workers and employers are competing for jobs and workers.

1.9.7 Non-bank financial intermediaries

According to the Bank of Namibia Act 2 of 1998, non-bank financial intermediaries are institutions that accept deposits from the public, but do not provide transferable-deposit facilities like the normal banks. This category encompasses institutions such

as Agricultural Bank of Namibia, SWABOU, NamPost Savings Bank and the National Housing Enterprise.

1.9.8 Skilled or talented worker

A skilled or talented worker is termed as an employee who possess special skills, knowledge and some level of ability to perform a task. Cameron and Harrison (2012) indicate that the aforesaid knowledge is acquired through education and training.

1.9.10 Skills shortages

According to Cole (2016), skills shortages refer to the lack of sufficiently trained workers to fill positions available in a labour market.

1.9.11 Talent

Talent, as defined by Vatne and Torgersen (2014) refers to an employee's capabilities, inherent gifts, talents, knowledge, ambition as well as character.

1.9.12 Talent management

Talent management refers to various processes which amongst others comprise recruitment, selection, workforce planning, talent reviews, succession planning education and employee development (Minbaeva, 2014).

1.10 SIGNIFICANCE OF THE STUDY

This dissertation will be submitted to obtain a Master's in Commerce in Business Management degree. The findings of this study will enable the researcher to formulate appropriate suggestions that will enable the Namibian bank to recruit and retain its current and future employees. The findings and suggestions will inform managers in the Namibian bank about the challenges in recruitment and retention. This may assist them to address the necessary policies and practices. The findings of this research can also be used by future researchers as a foundation for further study and investigation. The study remains indispensable to the Bankers' Association of Namibia because it will inform the Association

of the current skills shortages in the banking industry and propose suggestions towards improving the situation.

1.11 LIMITATIONS OF THE STUDY

This study is limited to the views of participants from one specific bank in Namibia and the recruitment and retention profile of other banks may differ. This study is contextualised and does not represent the views of all managers and senior staff at this bank.

1.12 DELIMITATIONS OF THE STUDY

The sample of the study was drawn from the managerial levels of employees of the one specific Namibian bank and not from all commercial banks in Namibia. The study focused on recruitment and retention of skilled employees in a specific bank and no other aspects. Only employees that fulfilled the specific criteria and no other criteria (see section 3.4.1 in Chapter 3) could participate in this study. Only those participants who could add value to the research were selected to participate in the research.

1.13 LAYOUT OF THE CHAPTERS

The dissertation is structured into five chapters.

Chapter 1: Introduction and overview of the study

This chapter provides a general background of the Namibian banking industry and the Namibian bank. An overview of the study that encompasses the theoretical perspectives on the challenges of recruitment and retention is covered in this chapter. The background of the study, the rationale for the study, the research problem, research questions and research objectives are also covered. Chapter 1 also describes the research methodology and design, ethical considerations, definition of key concepts, significance of the study, limitations and delimitations of the study. This chapter ends with a layout of the study and a brief summary.

Chapter 2: Literature review of the Recruitment and Retention of Skilled Employees

In the second chapter, the focus is on document analysis. It provides a more comprehensive review of important theoretical foundations, concepts, characteristics and approaches fundamental to understanding the challenges of recruitment and retention of skilled employees in organisations.

Chapter 3: Research methodology and design

The third chapter focuses on the presentation of the qualitative research design, population of the study and sampling techniques. The chapter also covers methods of data collection that include face-to-face interviews. Data analysis techniques and ethical considerations are also covered in this chapter.

Chapter 4: Data Analysis and Presentation

The fourth chapter presents the findings and literature control done in this study. The primary data were analysed through the NVivo qualitative data analysis software by the external coder, whereby themes and sub-themes emerged from the research.

Chapter 5: Conclusions, Suggestions and Recommendations

Chapter 5 presents the conclusions drawn, suggestions and recommendations formulated by the researcher.

1.14 SUMMARY

Chapter 1 presented an overview of the Namibian banking industry and the Namibian bank. It further covered the background of the study, the rationale for the study, the research problem, research questions, research objectives and the research design and methodology. In addition, the chapter also presented the definitions of key concepts, significance of the study, limitations of the study, delimitations of the study, ethical considerations and a summary.

The research adopted a qualitative approach and the target group of the participants in the study were from various managerial levels within the Namibian bank. The participants were selected based on their experience and knowledge on the subject matter being studied.

Although a pure qualitative research does not include a chapter on literature review, in this study it is included to provide the necessary theoretical background on recruitment and retention in the banking sector. Therefore, the next chapter provides a literature overview pertaining to in Human Resource Management, with the focus on skilled employees in the banking sector.

CHAPTER 2

RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES

2.1 INTRODUCTION

The previous chapter presented the background of the study, the rationale for the study, the research problem, research questions and research objectives. Chapter 1 also described the research design and methodology, definition of key terms, significance of the study, limitations and delimitations of the study. Finally, the researcher briefly discussed the ethical considerations, the layout of the ensuing chapters and concluded Chapter 1 with a brief summary.

This chapter focuses on discussing relevant literature on the challenges of recruitment and retention of skilled employees. The literature study provides a theoretical basis for the study. Challenges of recruiting and retaining skilled employees are a common phenomenon experienced by many organisations across the world. In view of the aforesaid, the study aims to conceptualise recruitment and retention of skilled employees in the Namibian bank. The next section gives a detailed overview on talent management as well as its strategic importance as an overarching process that is crucial in the recruitment and retention of skilled employees. Chapter 2 further discusses factors that facilitate or impede recruitment as well as sources and methods of recruitment, and their respective advantages and disadvantages, retention, strategies for effective retention, performance management, organisational culture and staff turnover.

2.2 OVERVIEW ON TALENT MANAGEMENT

In today's dynamic and competitive environment, organisations are increasingly concerned with recruiting and retaining skilled employees. Hejase, Hejase, Mikdashi and Bezeih (2016) point out that competition and lack of talented employees make attraction and retention of skilled people a top priority for organisations.

The employees in any organisation are the most valuable assets given their strategic importance in ensuring the attainment of organisational objectives, thus resulting in increased productivity and profitability for organisations. Nijs, Gallardo-Gallardo, Dries, and Sels (2014) posits that over the last decade, organisations appear to have turned out to be

more persuaded that the deliberate identification of talent is essential for maximising organisational performance. The Chartered Institute of Personnel Development (2013) defines talented employees as those employees who can add value to organisational performance by displaying the highest level of capabilities and their direct contribution is felt in the longer term. On the other end, Larsen (2012) defines talent as human resources that are difficult to copy, imitate and substitute. The said scarce, critical and yet difficult to imitate and substitute human resources should be nurtured and managed efficiently.

The concept talent management emerged in the early 1990s with the aim to incorporate developments in the human resources sphere which places emphasis on management of skilled employees. The link between organisational effectiveness and human resource development was established as far back as 1970 (Mahal, 2012). Several decades ago, employees joining organisations in the mid-1920s worked until retirement as compared to the present young professionals who do job hopping for between 4 and 5 years.

According to Vinod, Sudhakar, Mihir, Varghese, Bobby and Thomas (2014), the concept of talent management formally came to the fore in 1997 when a research titled “war for talent” was commissioned by McKinsey (1997). The objective of the research was to review the procedures organisations in the United States were implementing in order to attract best performing employees. The McKinsey studies revealed that in the next two decades (starting 1997), talent would turn out to be the most important organisational resource and also limited in supply. The aforementioned studies also revealed that organisations were antagonistically fighting for skilled employees given that business leaders were of the view that competitive advantage was achievable by employing the best talent. McKinsey studies have thus resulted in a new dimension for the business leaders given that the focus is now directed towards developing and retaining talented people within the organisation (Vatne & Torgersen, 2014).

It is imperative to accurately define talent management in an organisational context; hence the following three definitions were judged as appropriate.

Talent Management refers to managing competency and power of employees within an organisation as well as employee abilities. Talent Management within the organisation is not only concerned with attracting the best and efficient people to the industry but also it is an ongoing process which entails sourcing, retaining, developing, hiring and promoting

employees while meeting organisational objectives (Pietersen & Oni, 2014). Sukanya (2009) also defines talent management as a process whereby employee talent is identified and utilised effectively thus resulting in retaining skilled employees to compete with comparable organisations. Another definition of talent management is from Al Ariss, Cascio and Paauwe (2014) who define talent management as a process that entails the development of a differentiated human resources architecture to facilitate the filling of positions, a logical identification of positions that strategically adds to an organisation's sustainable competitive advantage and lastly continued commitment to the organisation and to the well-being of societies.

The aforesaid three definitions by the various authors are similar in the sense that they all refer to the process of recognising talent or skills and striving to retain the said talent. The definition by Pietersen and Oni (2014) has been adopted for this study given its emphasis that talent management is not only concerned with the process of attracting the right employees, but it is ultimately concerned with the organisation to achieve its objectives through the talented employees. Pietersen and Oni's (2014) definition is more inclusive as it covers both the purpose and benefits of talent management to employees and organisations. All three definitions are however grounded on the organisations' best interest.

Although talent management is regarded as one of the most important functions in organisations, it comes with various challenges such as the merits and demerits of stability, where both the individuals and management have their varied interests (Mahal, 2012). Retaining worst talent is not the helplessness of any business group and getting rid of such talent is an immense necessity. On the other hand, the excellent talent has various options of continuance and shifting, as per available opportunities and offers from existing business group.

In addition to the aforesaid, talent management has become the most important task of business culture, where various experts have assessed the business related issues from varied angles. The main source of income of the banking industry is generated from its client base and hence there is a need for the Banking industry in particular to adopt various strategies for prospecting the business keeping in view the fairly limited labour pool in Namibia (Namibian Bank Annual Report, 2015).

The shift by many human resources departments is to adopt a more strategic position than only focusing on recruitment and development of employees in a drive to unite the management of human capital with organisational goals (Hejase *et al.*, 2016). The said shift is clearly demonstrated by Michaels Handfield-Jones and Axelrod (2001) as presented in Table 2.1 below.

Table 2.1: Old Reality versus new Reality of Talent

The Old Reality	The New Reality
There is need for organisations by people – “organisational power”.	Organisations tend to need people more – “people power”
In the industrial age, aspects such as machines, capital and geography give organisations competitive advantage.	In the information age, skilled employees give organisations a competitive advantage.
Skilled employees tend to add value to organisations.	Skilled employees make a big difference to organisations.
There is a limited supply of jobs.	There is a limited supply of skilled employees.
Jobs are secured and employees are more loyal.	Employees are constantly on the move and commitment to organisations is more short-term.
Employees are content with the standard packages they are offered.	Employees demand much more from organisations in terms of remunerations and benefits.

Source: Michaels, Handfield-Jones and Axelrod (2001)

After the publication of “The War for Talent” by Michaels, Handfield-Jones and Axelrod (2001) the concept talent has received a lot of attention and as result have consequently transpired to be one of the most explored concepts (Larsen, 2012), as explained in Table 2.1. The next section explains the importance of talent management in organisations.

2.3 IMPORTANCE OF TALENT MANAGEMENT

In the global era, retaining human resources requires that organisations should embark upon special skills and strategies in order to achieve its objectives. An organisation that adopts the talent management approach often focuses on coordinating and incorporating

recruitment, thus guaranteeing that the correct people are recruited for the right positions at the organisation. Stan (2012) argues that organisations put a lot of effort in recruiting the skilled employees; however, they do not investment substantial amount of time to retain and develop their talented employees.

Yllner and Brunila (2013) postulate that talent is on the go all the time and hence organisations have to consider other long-term sustainable options in curbing these exorbitant costs as a result of high staff turnover. In so doing, the organisations outsourced some functions and automated various business processes. Yllner and Brunila (2013) further contend that although businesses make substantial investments in new technologies for growth in their market share such as automation, it goes without saying that the actual drivers of value in a business are its competent employees. Given the aforesaid, talent management remains a core strategic business function of human resources and hence demand for a human resources strategy which will integrate the various functions thus resulting in superior organisational performance (Chikumbi, 2011).

The concept talent management has received considerable focus in recent years, given various theories that assert that talent is the only resource which could assist organisations to gain and maintain competitive advantage. In light of the concept of Resource-Based View, an organisation gives importance to building hard to imitate, unique, and valuable resources as well as a vibrant way to integrate those resources to a success for the organisation. Rabbi (2015) argues that resource-based view competitive advantage is reliant on the valuable, rare and hard to copy resources that exist in an organisation.

Porter (1985) claims that an organisation can attain a competitive advantage through talent management, if an organisation discovers superior technology to perform a certain function better than its competitors. Bethke-Langenegger, Mahler and Staffelbach (2011) contends that talent management methods tend to have statistically higher impact on organisations in terms of corporate profit, customer satisfaction, attractiveness and the attainment of goals.

Similarly, Rabbi (2015) assessed the link between competencies in talent management and the financial performance of organisations, which warranted why talent management should receive considerable focus from the business leaders. On the same note, Steinweg (2009) also says that organisations implement talent management methods tend to achieve much

remarkable results most especially in terms of financial performance in comparison to their competitors.

Behera (2016) carried out a study to determine the contribution of talent management as a strategic tool for organisations and the impact of motivation that influences the talent pools in organisations. The aforementioned researcher contended that integrated talent management is not only improving business performance but also increases the organisational productivity. The said finding is corroborated by Porter's (1985) earlier findings that by adopting a more strategic and rational approach to talent management, organisations gain competitive advantage.

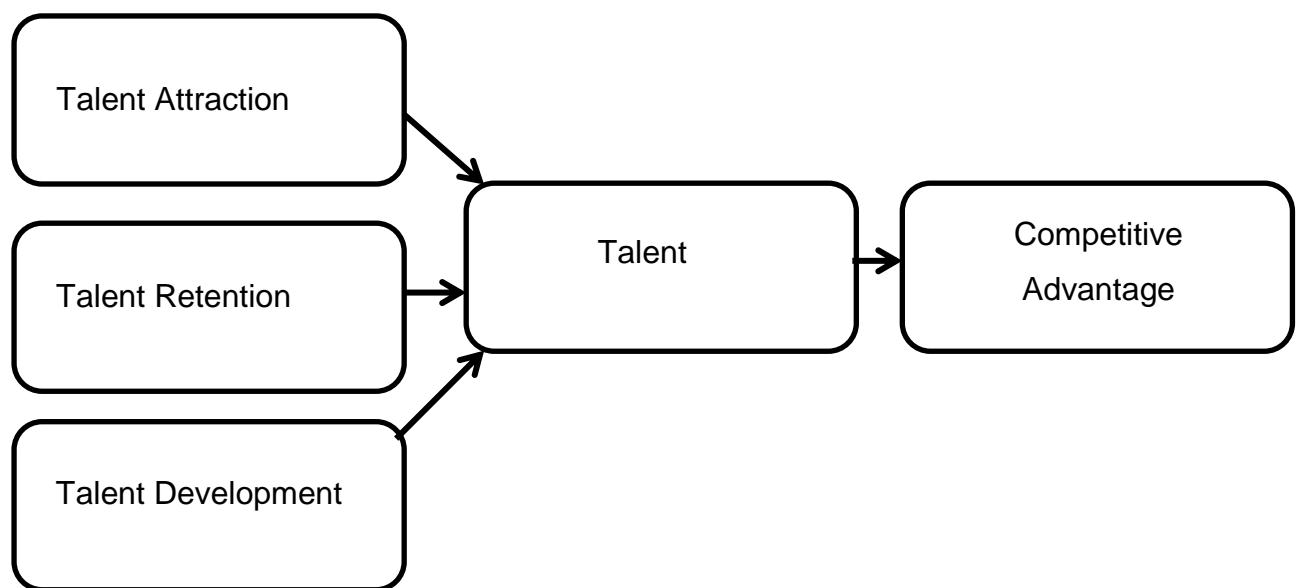
Hejase *et al.* (2016) however are of the view that talent management not only enhances the organisation's performance and flexibility, but it also avails the required information and tools in order for organisations to plan for growth, change, invention of new products and as well as services. The said researchers further posit that talent management is regarded as strategic and hence should be part of an organisation's strategic management process. Furthermore, the qualitative study by the aforesaid researchers dealing with Human Resource professionals and senior managers of organisations in Lebanon revealed that by focusing on succession planning and adopting talent management strategies, organisations tend to enjoy a higher corporate profit, higher trust and performance motivation, which they suggested could be as a result of skilled employees. They concluded that one of the highest costs that the organisations have to deal with year-on-year is the cost of maintaining its employees, which is mainly attributed to significant investments that go into human resources.

The majority of the previous research studies carried out on talent management in the preceding discussions cited that effective talent management accrues benefits to organisations by giving them a competitive advantage over their competitors. However, other studies indicated that talent management provides benefits to employees. According to Esmali (2016) in his study to determine the importance of talent management in reducing employees' turnover intentions, talent management brings about assurance to employees that they are well placed in their current roles and remunerated according to their critical scarce skills. The said author argues that the effective talent management motivates employees and thus reduces turnover.

The conclusion drawn from the various theories is the ability of an organisation to innovate measures to provide services by differentiating the organisation from its fierce competitors. The organisation's innovation is dependent on its highly skilled employees who eventually translate into top performers. The current pace in terms of technological and global economic changes over the past decades necessitated a need from a human resources perspective for organisations to develop adequate and appropriate plans to attract the best pool of available employees. It is also equally important for organisations to nurture and retain its current skilled employees.

Worth noting is that the success of any organisation as alluded to earlier is highly dependent on the human resources function. Having said that, the human resources function is an essential element and the acquisition of excellent talent and effective management is key to success. The success of an organisation is not only dependent on recruiting the skilled employees, but most importantly retaining the said skilled employees hence the importance of effective talent management in organisations as depicted in the model below:

Figure 2.1: Effective Talent Management in Organisations



Source: Rabbi (2015)

Shukla (2009) argues that the impending success of talent management is mooted on theories that are designed from a paradigm that is bottom-up. The aforesaid paradigm is geared towards the provision of key business functionalities established on cohesive talent management procedures and factors. There are three key features of the concept of talent

management whereby talent is regarded as a key enabler of any organisation. The other feature is that the quality of the organisations' employees is the true competitive differentiator and lastly talent drives performance (Hejase *et al.*, 2016).

Talent management planning requires organisations to conduct regular skills audits and streamline their hiring methods in an effort to give the current employees with an understanding of the gaps and strength. The skills audit enables the human resources to map out a strategy that can significantly improve the bottom line of the organisation as well as the overall organisational performance in different spheres. Every person has a unique talent that suits a particular job and any other person not having the right talent for that specific job will cause unnecessary discomfort (Rabbi, 2015).

Farndale, Scullion and Sparrow (2014) emphasise the importance of talent management based on the various factors. These authors argue that employees will at all times retain the knowledge they have gained given that they created the innovation and that such knowledge would only be applied by a person, be it through coaching or training by that specific person. They further contend that talent management can improve or strengthen the advancement of employees and retain expert employees whose knowledge has high competitive value. In addition, there are various benefits accrued to organisations as a result of effective and efficient talent management processes such as reduced hiring costs, agreed salaries, highly motivated teams, improved profit margins and highly satisfied client base.

Rachael, Pavithra and Imran (2016) in their study to ascertain the impact of talent management on culture. They argue that one of the main reasons why organisations implement talent management strategies is to attract new skilled employees and increase competition amongst them. They further say that organisations with progressive talent management policies yield more favourable returns on investments, sales and equity. In view of the aforesaid, the importance of talent management in an organisation cannot be over-emphasised.

In conclusion, talent management is a two-dimensional concept which was driven by the "war for talent" and has been supported by human resources practitioners. For organisations to strategically position themselves and realise effective talent management with tangible results, business leaders need to understand the competitive environment in which they

operate in terms of the limited pool of skilled employees. The next section explains the skills shortage and how it affects the retention and recruitment of skilled employees.

2.4 OVERVIEW OF SKILLS SHORTAGES

Scarcity of talent is a phenomenon across the world given the ever-changing nature of work (Hatun, 2010). Skills shortages affect organisational performance and impact on the economic growth and job creation in an economy. The preceding discussions in this chapter stressed the importance of talent management and how it gives organisations a competitive advance over its competitors. Skilled employees are regarded as critical resources in organisations given their impact on organisational performance, growth, and sustainability.

Thapa (2011) defined skills shortages as lack of sufficiently trained workers to fill positions available in a labour market. It is argued that talented employees are those employees who possess very special skills, knowledge and some level of ability to perform a task in the workplace. The knowledge is obtained through education and training (Cameron & Harrison, 2013). The literature reviewed on the definition of skills shortages revealed that all sources attach a qualification and a certain level of competence or expertise to a particular activity.

Global organisations face a serious challenge to find the best talent due to the fluctuation of demand and supply for skilled employees in different economies and sectors overtime (Farndale, Scullion & Sparrow, 2014). The aforesaid researchers further attributed the said challenges to global competition for talent and new forms of international mobility. The supply of highly skilled employees and the demand for it is not commensurate. The said challenge was noted in the United States of America as well as in other transitional and developing economies, such as China and India (Cappelli, 2008). Koch (2014) also contented in his study that investigated the function of labour market imperfection in open economies for the usage of talent in the production process that the scarcity of talent is great challenge for many organisations in the globalised world.

According to Frasier- Nelson (2016), the combined data presented by London Business School, Chicago Booth, Wharton, Institute of European Administration (INSEAD) and Harvard revealed that the finance industry noted a 20% decline in the Masters of Business Administration joining graduates during the period of 2007 and 2013. Contrary to and that, the percentage of graduates that enrolled into technology careers doubled over the same

period, which findings have serious repercussions for the industry, where talent crisis has emerged.

The findings of the aforesaid researcher further postulated that whilst the banking institutions are experiencing more competition from other financial institutions, a concern was raised as to whether the traditional bank employment models which normally consists of long hours, working lunches at desks and sizeable amount of internal red tape have contributed to the brain drain within the banking sector. A report published by the TD Bank in Canada in 2013, cited the skills shortage challenges experienced by the Association of Canada for Information Technology as well as the Information and Communications Technology Council, which dilemma needs serious interventions from the aforementioned entities to address the said challenges.

Lack of skilled or talented employees has been a serious challenge facing the South African economy most especially the construction industry (Erasmus & Breier, 2009; Makhene & Thwala, 2009). Another study by Letshokgohla (2015) revealed that scarce skills are a common phenomenon in the South African market. The said study attributed the challenge of lack of critical skills to high demand of engineers, state veterinarians and researchers in South Africa whereby the generation x demands conducive working environments and better salaries in order to remain with their respective organisations. According to Grobler and Diedericks (2009), generation 'X' are people that were born between 1960 and 1980 who constitute the major part of the current workforce.

The Namibian private and public sectors are also both highly susceptible to skills shortages challenge, and hence, most of the time they extend their recruitment strategies across the borders. The Polytechnic of Namibia and University of Namibia are a good example of organisations that have extended their recruitment drive globally. The Polytechnic of Namibia Affirmative Action Report (2015) indicated that of the total Polytechnic of Namibia's staff complement, twenty-four (24%) are non-Namibians and that a total of 99 permanent staff were recruited during the (2014/2015) financial year of which 24 staff members thereof were non-Namibians.

In 2014, a daily newspaper (New Era) article in Namibia also reported that the Namibian banking industry was experiencing serious skills shortages. The report cited that although the domestic job market noted a high influx of graduates from both local and foreign

institutions, it was noted that Namibia still lacked skills in the key business banking areas which amongst others entail property evaluation, compliance, auditing, chartered accounting, investment banking, information technology and risk management (New Era Newspaper, 2014). In an attempt to address these challenges within the Namibian economy, the Financial Sector Skills Enrichment Programme as proposed in the Namibia Financial Sector Strategy (2011- 2021) and the National Human Resources Plan (2010-2015), aimed to address the lack of critical skills in the financial sector in order to produce vastly trained industry professionals.

From the information given above, it is evident that skills shortages are a real challenge facing many organisations today. However, it is important to ascertain what factors contribute to skills shortages. Several research studies carried on skills shortages revealed various factors that are believed to be the main drivers of skills shortages in the various economies.

According to Windapo's (2016) study on skilled employees supply in the construction industry in South African, the South African market has an oversupply of unskilled employees and the sector lacks skilled employees. The researcher further postulates that the quality and relevance of training, ageing workforce, technological advancements, and economic conditions are some of the key factors that contributed to scarce skills in the South African construction industry. Contrary to this, Owen (2016) says that when it comes to broader skills shortages, lack of qualifications is not the only aspect that influences skills shortages as other reasons such as unattractive working conditions, uncondusive working conditions and negative real wage growth discourages new employees to enter the employment market.

Holland, Sheehan, Cooper and De Cieri (2007) reason that given the rigid labour market, in most instances, highly talented and experienced employees that are in demand, are more concerned with employability rather than employment and as a result the said employees change jobs more often. Employability is defined as a set of accomplishments, achievements, understandings and personal attributes that enable individuals to find employment in their preferred careers. On the other hand, employment is regarded as a formal association between two parties and it is mostly based on a contract. The two parties involved in such a contract are the employee and employer (Holland *et al.*, 2007).

Increasing shortages of skilled employees make the human resources function a core role in organisations (Johnson, Winter, Reio Jr, Thompson & Petrosko, 2007). Johnson *et al.* (2007) state that organisations are required to successfully execute the recruitment function in order to ensure that they are in a position to compete locally and internationally in their recruitment drive and thus attract the right candidates who will contribute meaningfully to the organisations.

2.5 RECRUITMENT OVERVIEW

Recruitment is referred to as activities undertaken by an organisation with the main objective to identify and attract potential employees (Parry & Wilson, 2009). Grobler, Warnich, Carrell, Elbert and Hatfield (2011) on the other end, describe recruitment as a process of recruiting skilled employees who are available and possess the required qualifications as well as experience to occupy vacant positions in organisations. Thus, the recruitment process includes analysing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring and integrating the new employees to the organisation. Recruitment encourages individuals to seek employment and it further motivates employees to apply for vacant positions. It is a connection action bringing two parties, namely an employee and an employer. In simple terms, recruitment refers to the process of determining from which source potential employees are to be selected. On the other end, Armstrong (2014) refers to recruitment as a constructive process that involves searching for prospective employees. The employer should encourage employees to apply for the vacant positions in the organisation. When more persons apply for jobs, then there will be a scope for recruiting better qualified persons. This adds value to the recruiting organisation, since it gets the opportunity to employ the best candidates available in the labour market. Thus, recruitment is concerned with reaching out, attracting and ensuring a supply of qualified, experienced and most suitable candidates for the job vacancies in the organisation. It is the first stage of the process of selection and it is completed with the appointment of suitable candidates.

Flippo (2013) also asserts that recruitment is a process that involves searching for potential employees by motivating and inspiring them to apply for vacant positions in organisations. It is the process used by employers to ascertain the various sources of talent pool available in the market in order to meet the requirements in terms of staffing needs and most importantly to deploy more effective strategies in attracting the said manpower. Swanepoel, Erasmus, Van Wyk and Schenk (2007) defines recruitment as those activities in Human

Resources Management which are carried out by organisations in order to recruit sufficient skilled employees who possess the required potential, competencies and traits. The said author further says that the recruitment assists organisations to achieve their objectives. It is through the recruitment process that organisations attract and retain the interest of qualified and skilled employees which enhances the positive reputation of an organisation to the outside world. In Namibia, the recruitment and selection practice is generally guided by the Labour Act 11 of 2007 and the Employment Equity (Affirmative) Act 29 of 1998.

Sahoo, Das and Sundaray (2011) contend that the forces of competition, cost saving, global skill shortages and downsizing contribute greatly to the recruitment concept which has gained tremendous momentum. Sahoo *et al.* (2011) posits that well-executed recruitment avoids the risks, costs and time wasted in locating and attracting the right skilled employees and it further meets the needs of candidates and that of the organisations. The literature reviewed on the definition of recruitment reveals that most definitions are generic in nature as they all address a common phenomenon which is to find the right candidate for a position in an organisation. The definitions by Flippo (2013) and Swanepoel *et al.* (2007) focus more on the recruitment process and its desired efficiency to the business processes, whilst the definition by Sahoo *et al.* (2011) is more for organisations' drive during the recruitment process. The similarity between the three definitions is that all regard recruitment as a business process which is vital for any organisational success.

Recruitment should not only be concerned with how gaps will be filled but should rather focus on bringing the required skills and experiences in the organisation particularly those which cannot be developed internally within an organisation. Mbugua, Wangithi and Njeru (2015) postulate that recruitment should be regarded a part of the entire career management strategy of an organisation which is driven by its strategy.

Flippo (2013) observes that employees of an organisation act as the key strategic drivers in the implementation of the declared organisational strategy and human resources strategy. Thus, it is vital for organisations to implement effective recruitment and retention strategies. The human resources functions could be integrated with the organisational strategy and structure to form a comprehensive strategic management policy, which could help to gear organisational performance (Shafique, 2012). What can be done to maximise the impact of recruitment? What are the kind of things to keep in mind when recruiting?

2.6 FACTORS GOVERNING RECRUITMENT

Given its important role and external prominence, recruitment is generally subjected to various aspects both from internal as well as external environments in which the organisations operate: The factors are cited below:

2.6.1 External Factors

The condition of the labour market plays a huge part to determine the recruitment sources for the organisation. During the high unemployment seasons, organisations are able to maintain a sufficient supply of skilled employees from their internal database. A rigid labour market whereby the low unemployment rates are recorded at times might dictate that organisations should advertise extensively and solicit assistance from recruitment agencies (Anand, 2016). Labour-market conditions in a local area are essential in recruiting for most non-managerial, supervisory and middle-management positions. Another external factor is political and legal considerations. Jobs are reserved for previously disadvantaged and minority groups. There is a strong belief in giving preferential treatment to employees from the previously disadvantaged sections of the society. The said reservations have been accepted as inevitable by all sections of the society.

The employment brand of the organisation also matters in attracting large numbers of job seekers. Blue chip companies attract large numbers of applications. Often, it is not the money that is important, but it is the perception of the job seekers about the organisation that matters in attracting qualified prospective employees (Bali & Dixit, 2016).

2.6.2 Internal Factors

There are several external factors influencing the recruitment function of an organisation. In addition to these, there are certain internal forces which are fundamental during the recruiting process of new employees. One of the said internal factors is the recruiting policy of an organisation. Onah and Anikwe (2016) in their study on the Task of Attraction and Retention of Academic Staff in Nigerian Universities argued that before an organisation embarks upon its recruitment process be it internal or external, it is vital for the organisation to first assess the strength and weaknesses of its recruitment policy. Onah and Anikwe point out the importance of understanding the factors that are likely to impede or facilitate

recruitment. Most organisations have policies on recruiting internally (from own employees) or externally (from outside the organisation). Generally, the policy is to prefer internal sourcing as own employees know the organisation well and can recommend candidates who fit the organisation's culture ((Anand, 2016). Another related policy is to have temporary and part-time employees. "Temps" are typically used for short-term assignments or to help when managers cannot justify hiring a full-time employee, such as for vacation fill-ins, for peak work periods or during an employee's pregnancy leave or sick leave.

In another related study which explored the internal factors of recruitment on selected Indian and Multinational Companies (MNCs) which was conducted by Rajani, Reddy and Parvathi (2016), it was pointed out that there are also policies in Multinational Corporations relating to the recruitment of local citizens. The study aimed to understand how differently the IT companies carry out their recruitment process in comparison to the MNC's. Multinational Corporations operating in other countries prefer local citizens as they can understand the local languages, customs, and business practices well. The findings of the study of Rajani *et al.* (2016), however, show that although organisations have well-crafted policies in place, they are at times not effective and hence many organisations have opted to adopt the latest trends in the recruitment space which is to outsource the recruitment function to recruitment agencies.

Afzal, Mahmood, Sherazi, Sajid and Hassan (2013) in their quantitative study on the effect of Human Resources Planning on organisational performance of Telecom Sector in Pakistan pointed out that a major internal factor that can determine the success of the recruiting programme is whether or not the organisation engages in Human Resource Planning (HRP). In most cases, an organisation cannot attract prospective employees in sufficient numbers and with required skills overnight. It takes time to examine the alternatives regarding the appropriate sources of recruitment and the most productive methods for obtaining them. Once the best alternatives have been identified, recruiting plans may be made (Noe *et al.*, 2015). Effective HRP greatly facilitates the recruiting efforts. Size is another internal factor having its influence on the recruiting process. Gamage (2014) contend that an organisation with one hundred thousand employees will find recruiting less problematic than an organisation with just one hundred employees. Gamage further notes that the success of an organisation is heavily dependent on the effectiveness of its recruitment and selection process.

Cost of recruiting was another internal factor that was regarded as essential. It is imperative that recruiters must operate within the approved budget. Well thought human resource planning and foresight by recruiters minimises recruitment costs. For example, recruiting for multiple job openings simultaneously is one cost saving measure which can be considered. The best solution that organisations can use is proactive personnel practices in order to reduce employee turnover and further minimise the importance of recruiting. In order for organisations to ensure that the recruitment process is efficient and cost-effective, it is essential to evaluate the quality, quantity and costs of recruitment (Mulolli, Islami, & Skenderi, 2015). Lastly, an organisation that registers growth and expansion tends to have more recruiting on hand compared to the one which finds its income decreasing.

The model in Figure 2.2 highlights the important aspects that organisations should bear in mind when recruiting for long-term success.

2.6.3 A Strategic Human Resources Planning Model

According to Flippo (2013), there is no single approach to develop a successful recruitment strategy. The various approaches adopted differ from one organisation to the other. However, Flippo points out that an exceptional method towards effective recruitment drive is evident in the Strategic Human Resources Planning Model presented in Figure 2.2. This approach identifies six critical tenets of effective recruitment for long-term successful retention as shown below:

Stage 1: Setting the strategic direction;

Stage 2: Designing the human resources management system;

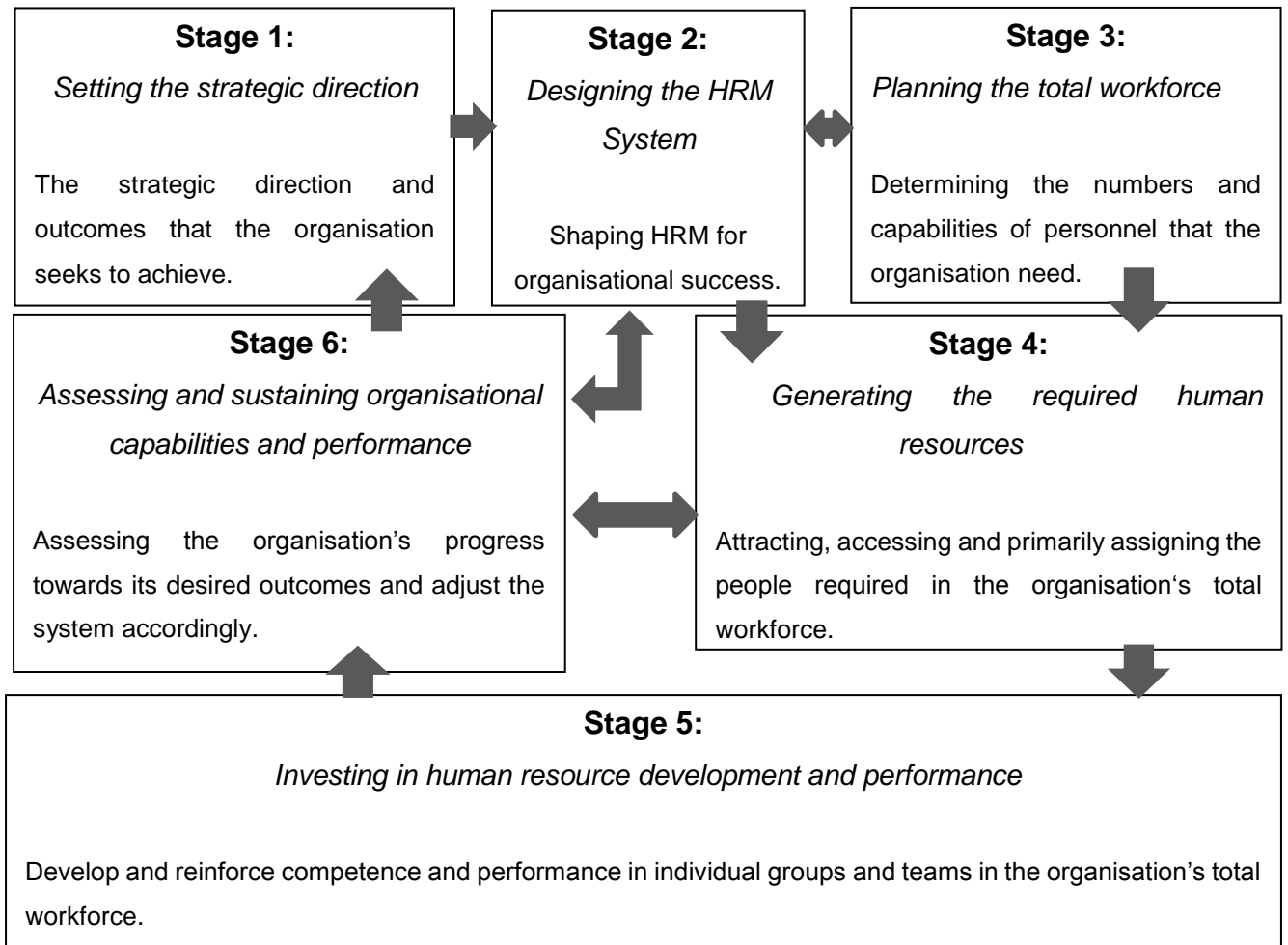
Stage 3: Planning the total workforce;

Stage 4: Generating the required human resources;

Stage 5: Investing in human resource development and performance and

Stage 6: Assessing and sustaining organisational competence and performance

Figure 2.2: A Strategic Human Resource Planning Model



Source: Flippo (2013)

Flippo (2013) states that recruitment should envisage six broad interconnected components shown in Figure 2.1 of the human resources management system as encapsulated in the Strategic Human Resources Management Model. The said system consists of three planning steps as well as three execution steps. The top three aspects denote the need for planning. Organisations must determine their strategic direction and the outcomes they aim to achieve. The determination of the strategic direction can be achieved through some form of strategic planning. The strategic direction of the organisation should then inform and dictate the kind of skills required. Therefore, recruitment is not an isolated or ad-hoc activity. It should be synchronised with all processes in the organisation. Where there is no synergy, it is very difficult to attract the right skills for the organisation. The three execution steps deal with generating and attracting relevant and appropriate skills, resourcing the organisation with key competencies and investing in the staff of the organisation.

2.7 ORGANISATIONAL RECRUITMENT STRATEGIES

Organisations embark upon various recruitment strategies with the aim to achieve their desired objectives in terms of enhanced organisational performance, sustained business growth, increased profit margins and efficiency. The following section will expand in detail on various sources and methods of internal recruitment.

2.7.1 Internal sources and methods of recruitment

Grobler *et al.* (2012) recommend that organisations should seek out top university graduates, establish contact with the various recruitment agencies and create a portal on the organisation website that deals with recruitment. Before an organisation embarks upon a recruitment drive, it is important to first exhaust the available talent within the organisation. It is, therefore, vital for an organisation to develop and maintain an effective internal talent database from which to source talent internally.

Flippo (2013) posits that there are two key sources of recruitment, namely internal sources and external sources. According to Flippo (2013), internal sources of recruitment entail the use of previous curriculum vitae or candidates' database for recruitment. The internal transfer of employees from one unit to the other was also cited as one of the internal methods of recruitment which involves moving employees from one job to another without any promotion in their position or grade. It is a good source of generating qualified employees from over-staffed departments. Another internal source of recruitment is promoting employees who already existed in the system as they contribute to organisational performance. This involves moving an employee to a higher position with increased responsibilities, status, facilities and salary.

Noe *et al.* (2015) discuss several methods of internal recruitment. Some of the methods entail job posting whereby internal employees are encouraged to apply for the vacant position. It provides an equal opportunity to all employees currently working in the organisation. Vacancy announcements are done by means of bulletin boards, whereby the employees that are interested in the job apply. The other method Noe *et al.* (2015) cite is employee referral which involves recruiting new people based on the referrals by the current employees. During the said process, the preferred candidate is appointed on the

recommendation of some existing employees. Moreover, conversion of temporary employees to permanent employees was stated as another internal recruitment method whereby temporary staff members are turned into permanent staff. This is a common practice in many organisations where the organisation is satisfied with the performance of current temporary staffers (Onah & Anikwe, 2016).

2.7.2 External sources and methods of recruitment

Kumar (2012) presents various sources of external recruitment that organisations utilise which, among others, entail referrals, professional bodies, headhunting employment agencies, educational institutions, walk-ins, consultants and agents. On the other end, Shafique (2012) indicates several external methods of recruitment embarked upon by organisations; these include the print and electronic advertisements which include newspapers and electronic media. Special event recruiting which includes roadshows, university employment and recruitment fairs as well as vacation work where students do temporary work during school vacations are also other external sources of recruitment embarked upon by organisations. Further review of available literature revealed other methods of external recruitment used by many organisations which include the following.

2.7.2.1 Social professional networks

Flippo (2013) asserts that the biggest shift in recruiting globally has been the four-year expansion of social professional networks. According to Flippo (2013), professional networks have now turned out to be the top sources of quality hires. This growth reflects the increasing candidate adoption of social professional networks and in the same vein recruiters have become more effective at finding candidates through this channel. Armstrong (2012) suggests that almost half (46%) of global organisations cite social professional networks as one of the most important sources of quality hires, followed closely by employee referral programmes (44%), organisation career sites (43%), internet job boards (40%) and internal hires (27%).

2.7.2.2 Talent Branding

Available literature reviewed on talent branding has showed that there are several antecedents and consequence variables such as organisational culture, diversity at work,

employee compensation, organisation reputation and human resources policies (Tanwar & Prasad, 2016). Chikumbi (2011) asserts that talent branding is the social, public version of an organisation brand that seeks to promote an organisation as being a great place to work for, so as to attract new talent. Organisations are increasingly noticing the impact that a good brand and organisation culture has on their recruitment process. Costs per hire are reduced by fifty percent (50%) and turnover rates lowered by twenty-eight percent (28%) when an organisation has a favourable talent brand in place. Therefore, talent brand significantly increases an organisation's ability to hire good talent. According to a study by Tanwar and Prasad (2016), given the competitive nature in which organisations operate, employer branding has emerged as a long-term strategic human resource tool required to ensure effective recruitment and retention of skilled employees. Furthermore, positive employer brand assist organisations to create brand ambassadors.

2.7.2.3 Mobile Recruiting

Mobile recruiting is a recent key development which is one of the most adopted methods by recruiters globally. About forty-three percent (43%) of job seekers make use of mobile devices for their job hunts (Grobler *et al.*, 2012). It has been noted recently that the number of candidates applying for jobs on mobile devices is on the increase. Flippo (2013) claims that organisations and recruiters are required to increase their mobile recruiting behaviours in order to meet the candidate demand. Namibian employers are thus required to focus their strategies on recruitment websites and to mobile-optimize job postings. The easier it is for candidates to search and apply the more applicants organisations will be able to screen. Armstrong (2014) indicates that the year 2016 was going to experience increased competition for recruiters who are faced with lack of skills despite the high demand for talented employees.

The study carried out by Kaur (2015) supported the earlier findings of Armstrong (2014) in that the world of recruitment went through a rapid transformation process as a result of the mass adoption of new technologies. The author further argues that the latest development in technology has made the talent acquisition process rich and seamless. The new millennial generation is attached to the technology such as computers, Ipads and cellphones, and as such, the recruiters are required to align their recruitment strategies with the emerging e-recruitment trends to meet the growing needs of the millennial generation.

2.7.2.4 Cross Border Recruitments

Cross border recruitments refer to the process whereby the organisation recruits talented employees from across the borders of the country; this requires complex human resource management given the diverse group of employees involved (Mabey, Salaman & Storey, 2005). This brings with it additional problems such as unwillingness of skilled workers from developing countries to take up positions in developed countries (Pfeifer, Schuettle & Schwinn, 2009). In addition, skilled workers from developing countries often demand high salaries which organisations in developed countries are not able to pay (Pfeifer *et al.*, 2009; Suliman & Obaidli, 2011).

According to Mpoyi (2012), a developed country is regarded as a sovereign state that has extremely advanced technological infrastructure in comparison to other less developed economies. Furthermore, there are also problems with arranging work permits and funding re-location costs (Akhigbe, 2013). Gross Domestic Product (GDP), the per capita income, level of industrialisation, the amount of infrastructure and the general standard of living are some criteria used to assess the degree of economic development. In many cases skilled workers from less developed countries are often unwilling to extend their contracts or there is a general resistance to international mobility exhibited by many professionals which makes staff retention problematic (Akhigbe, 2013). Some of the reasons often cited as to why foreign skilled workers are unwilling to extend their contracts are: low salaries, perceived political instability and security, dual career issues, inability to cope with cultural differences and inability of family to cope with new environment (Akhigbe, 2013).

A recent study by Cremers (2016) which explored the economic freedoms and labour standards in the European Union pointed out that cross border recruitment is regarded as a provision of service to the employees and hence organisations should have clearly defined legal frameworks which will guide the said process. The study further revealed that the fight against administrative burdens given the legal frameworks of different countries involved in cross border recruitments made systematic and effective control a challenge most especially for the host country. Enforcement of the various legislations pertaining to cross border recruitments was deemed to be a challenge and given that, the French umbrella organisation of labour inspectors during the period of 2011 to 2015 underscored most of these enforcement problems (Cremers, 2016). The study also pointed out that the fraudulent

postings are used to circumvent the national regulatory frameworks of pay, labour, working conditions and social security in the host country.

2.8 ADVANTAGES AND DISADVANTAGES OF RECRUITMENT SOURCES

2.8.1 Internal Recruitments

Recruitments within organisations take various forms which are informed by the organisational policies. Whichever recruitment method an organisation adopts, there are advantages and disadvantages. The organisation at times opts to recruit from within or at times to recruit from outside the organisation. Gamage (2014) argues that recruiting internally accrues several benefits in that it stimulates an individual to prepare for possible transfer or promotion. Internal promotions result in increased morale within an organisation. Gamage further contends that when recruiting from inside, the organisation is privy to more information on the candidate background and finally with internal recruitment less orientation and training is required.

Equally, recruiting internally also has disadvantages to the organisations in that the employees who do not get jobs may become discontented (Mulolli, Islami & Skenderi, 2015). More also employees tend to be dissatisfied if their new boss is appointed from inside rather than from outside. Recruiting from within the organisation might also have limitations on the level of innovations as no new ideas could be forthcoming from the existing employees.

In as much as organisations use different recruitment methods, namely internal and external, both methods have advantages and disadvantages. The earlier paragraph focused on the advantages and disadvantages of internal recruitments. The following section will briefly outline the advantages and disadvantages of external recruitments.

2.8.2 External Recruitments

Li (2015) contends that recruiting from outside the organisation has several advantages to organisations. Li argues that when any organisation embarks upon an external recruitment drive, it gives the organisation a greater pool of talent to choose from, which increases its chance of finding the right candidates for the job. He further states that external recruitment presents an opportunity for a new innovation in the organisation and thus remains

competitive. When an organisation opts to recruit from outside, it enables the organisation to attract potential employees that may make its competition successful. Recruiting from outside also at times help motivate the current employees to produce and achieve more in the hope of obtaining the next promotional opportunity.

Onah and Anikwe (2016) also posit that recruiting from outside promotes competitiveness within an organisation. Recruiting a candidate with a proven track record for the competition enables the organisation to get an insider's view as to what their competitors are doing right. This gives the organisation a chance to stay a step ahead of the competition and finally it reduces the cost of training or re-training, and recruiting an external candidate also assists the organisation to find experienced, highly-qualified and skilled employees who will help an organisation meet its diverse requirements.

However, Shafique (2012) on the other end argues that in most instances external recruitment destroys incentives of employees to strive for promotion, their individual's ability to fit-in with the rest of the organisation is unknown and the new employees at times find it difficult to adjust to a new environment. In addition, the researcher argues that at times it takes longer and it is more costly when compared to recruiting from within the organisation. Furthermore, external recruitment at times can also affect employee morale given that current employees may feel this reduces their probabilities for promotion. When employee morale decreases, productivity may also decrease. It also takes more time to train an external candidate on the systems the organisation uses. Therefore, it takes a little longer for new candidates to get up and running. Other disadvantages cited by Shafique (2012) are that it can be difficult to determine by a candidate's information if he or she will fit in with the organisation. Also, while a new employee may come on board with new innovative ideas, this could be viewed as a disadvantage given that these ideas could be producing more conflict with current employees.

The following recruitment sources have been discussed: mobile recruiting, newspapers, website, internal database, headhunting, cross border recruitments, talent branding and social professional networks.

2.9 IMPORTANCE OF RECRUITING SKILLED EMPLOYEES

The existence and survival of any organisation is highly dependent on having the right employees, that is, workers with the required skills to execute tasks required for an organisation to succeed (Mohlala, Goldman & Goosen, 2012). It is argued that in order for banks to have a competitive edge over their rivals, they need to recruit and retain highly skilled staff, with capacity to innovate new products and technologies through research and development initiatives (British Council Customs Research Report, 2012). If a key person leaves an organisation, for example, a salesperson/relationship manager in a banking industry, the organisation could lose clients especially in the event that they follow the particular individual to his or her new organisation. Therefore, the greatest concern is when skilled employees leave the organisation; they take with them a wealth of knowledge and information.

According to the Skills Research Initiative (2008) and Akhigbe (2013), organisations employing the right employees seem to be more successful with regard to growth, performance and efficiency than those that are not. This is also true at national level where countries with a highly skilled labour force are known to record significant organisational success and economic growth (Govaerts, Kyndt, Dochy & Baert, 2011; Sheryl & Hewitt, 2012). This makes the ability to recruit and retain skilled employees a very crucial function for an organisation (Chartered Institute of Personnel Development, 2008; Mohlala *et al.*, 2012).

The process of recruitment and retention of employees is a challenge for many organisations and more so for those in developing economies (Alnaqbi 2011; Nguyen 2012). Given that recruitment is an expensive process, organisations cannot afford to run the risk of making poor recruitment decisions (Nguyen 2012). Most developing economies face severe shortages of skilled labour and hence often have tried and recruited workers from developed countries (Suliman & Obaidli, 2011; Zheng, Soosay & Hyland, 2008). Evidence shows that developed countries recruit talent from less developed countries, the classic “brain drain”.

Nguyen, Ghaderi, Caesar and Cahoon (2014) state that employers face major challenges in discovering skilled employees; the newer generation have different attitudes about work whilst the aging population of the workforce are heading towards retirement. The study

revealed that 85 percent of human resources executives cited one of the biggest challenges in managing the workforce as the organisations' inability to recruit and retain good employees.

Organisations can improve their inability to attract, retain and improve the productivity by applying the five stages of Employee PRIDE process, where:

- P = is to provide the positive working environment;
- R = relates to recognise, reward and reinforce the right behaviour;
- I = refers to involve and engage;
- D = means develop skills and potential and
- E = suggests evaluating and measuring the work performance of the individual and group (Sheryl & Hewitt, 2012).

In sum, the success of organisations depends on the stability of employees, who are well acquainted with the work culture and retention is possible with creative measures.

2.10 ROLES OF GOVERNMENT AND ORGANISATIONS

According to Collings (2014), continued global organisational growth, changing demographics and worldwide competition for skilled workers have made it far more difficult to predict and achieve optimal staffing and service levels. Competing for scarce critical skills requires that government and organisations should put in place well-designed strategies for attracting workers to the countries and regions. In addition, competitive human resource practices and effective recruitment and retention programmes are needed. Allen (2013) asserts that a multi-disciplinary approach is needed for organisations to be in a position to competitively attract and retain critical skills. Co-ordination and integration by all spheres of government and businesses give organisations the ability to attract and retain global skills.

Government fulfils a critical and important function which is that of coordinating, providing and where necessary stimulating the development of key infrastructure to create and champion national human capital development. Hard infrastructure such as utilities, housing, transport and social infrastructure such as health, education, social services, recreation and leisure creates the social capital required to attract and retain skilled labour force. The Government fulfils a dual role in attracting skilled workers to the State and its

regions by firstly providing the economic conditions which stimulate jobs growth to provide attractive job opportunities (Onah & Anikwe (2016). The provision of housing, utility, social infrastructure and transport is crucial. The social capital that results from such infrastructure is a significant attractor for people to move to a particular location.

Mueller (2012) argues that organisations have also obligatory functions in creating conditions that will facilitate the attraction and retention of skilled workforce. Collings (2014) further contends that organisations have a role to play in attracting (and retaining) workers to a location or industry. A globally competitive environment, combined with increases in food and energy prices and an increasing demand for labour in the resources and service industries, has brought about greater pressure on wages and the ability for organisations to retain staff. While wages are a significant determinant of job choice, organisations fulfil a key task of increasing the level of attraction and retention of workers.

Armstrong (2014) believes that the following are some of the key issues that contribute significantly to the attraction and retention of skilled labour:

- Government and organisations - Government and organisations have clearly defined functions to create conditions that will attract and retain a suitable workforce.
- Attracting people - Attracting people to regional and remote areas will pose a significant challenge in the coming decade.
- Physical and social infrastructure - The delivery of key physical and social infrastructure is critical to the attraction and retention of skilled workers in regional and remote areas.

2.11 FACTORS INFLUENCING THE ATTRACTION AND RETENTION OF CRITICAL SKILLS

Many organisations worldwide are faced with the challenge of attracting and retaining skilled employees. However, in order for organisations to strategically position themselves and attain success, there is a need to attract and retain high performance driven individuals that can positively respond to these changing and dynamic work environments. Given that the job market is expanding and becoming competitive in nature, the available skills tend to grow more diverse and hence the need for organisations to make the right recruitment decisions (Kanu, 2015). It is worth noting that incorrect recruitment decisions will result in producing long term negative effects, such as high training and development costs, labour

dispute costs, poor performance and high turnover which eventually affect the overall employee morale in an organisation.

Employees are the backbone of any organisation and without the employees the organisations would be unsuccessful. Retention is more important than recruiting new employees (Wee, 2016), given the exorbitant recruitment and employee development costs that organisations incur. Promoting a work environment that fosters personal and professional growth promotes harmony and encouragement on all levels and such effects are usually felt across the organisation.

Wee (2016) further states that retention was a concern for the employer/management when it was beyond a level particularly when the turnover was due to reasons related to the employees. Continual training and reinforcement develops a work force that is competent, consistently competitive, effective and efficient. Shukla (2014) argues that poorly formulated retention policies of organisations contribute to the adverse impact on the general organisational performance, growth and profitability. Holtbrügge, Friedmann and Puck (2010) conclude that organisations globally are not only confronted with the challenge of attracting qualified employees, but also retaining them. Nguyen *et al.* (2014) observes that financial rewards are an important aspect that contributes to the high attrition rate. Subedi (2015) defines attrition as “the process or state of being gradually worn down”. The process starts after a person is employed in an organisation and ends when he quits or retires. The term ‘attrition’ is used interchangeably with employee turnover.

Ng'ethe, Iravo and Namusonge (2015) posit that employees leave organisations for many different reasons which amongst others include the following: health, personal reasons, disinterest in the job/work, family reasons, job and professional reasons such as the lack of career growth opportunities, poor remuneration, brand image of the organisation, unconducive work environment, favouritism, nepotism and death of the employee. The scholars highlight that there are several factors that contribute to the challenges of retaining skilled employees. Ng'ethe *et al.* (2015) further identifies and explains five important factors that contribute to attrition which are summarised below.

2.11.1 Performance-oriented financial incentives

The use of incentives to increase performance is increasing rapidly worldwide. Holtom, Mitchell, Lee and Eberly (2008) also postulates that this entails providing monetary and material rewards to high-performing employees. It is important to find the right incentives to drive performance. The design of an incentive must reflect the values and goals of the organisation. Consequently, a single policy recommendation around incentives is inappropriate and should be avoided at all costs.

2.11.2 Individual career management

Career management is the combination of structured planning and the active management choice of one's own professional career. The outcome of successful career management should include personal fulfilment, work/life balance, goal achievement and financial security. An individual's career is the sole source of one's natural expression of self and it has been described as a purpose of life and the source of one's expression and the purpose of being or existence.

2.11.3 Idiosyncratic job design

Idiosyncratic job design gives special attention to the social aspects of contemporary work, the process by which job holders craft their own jobs, the changing contexts within which work is performed and the increasing prominence of work that is performed by teams rather than individuals.

2.11.4 Limited/no networking opportunities within the organisation

As a new employee moves into a new organisation, his or her network must re-orient itself internally and towards the future. Key contacts flow from the strategic context and the organisational environment, but specific membership is discretionary. This helps to create and develop opportunities for networking internally.

2.11.5 No new employees' induction programme

An induction programme is an important process for bringing staff into an organisation. It provides an introduction to the working environment and the set-up of the employee within the organisation. The process will cover the employer and employee rights and the terms and conditions of employment. An induction programme is the process used within many businesses to welcome new employees to the organisation and prepare them for their new role. This is critical for successful attraction and retention of skilled labour.

Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor, Wright (2012) cite five possible factors that contribute to high attrition being:

- Compensation management is a general policy, implemented in conjunction with organisational strategy. It is designed to help an organisation maximise the returns on available talent. The ultimate goal is to reward the right people to the greatest extent for the most relevant reasons. Compensation management policy ensures that the best talent will remain with the organisation while attracting new talent and minimising turnover. An effective compensation management policy steers employees toward behaviours that enhance personal well-being and minimise the risk of burnout. If compensation management is not appropriate, this may lead to high attrition rate in the organisation.
- Employee-manager relationship is a unique interpersonal relationship with important implications for the individuals in those relationships and the organisations in which the relationships exist and develop. Studies show that workplace relationships directly affect a worker's ability to succeed. Workers spend more than half of their lives in the workplace and these long work hours are resulting in the formation of workplace friendships. These connections can be both positive and negative, and have the potential to become harmful. Negative work relations may have a direct bearing on attraction and retention.
- Work life balance is a concept including proper prioritising between career, ambition and lifestyle. Despite the worldwide quest for work-life balance, very few organisations have managed to achieve in business. Thus, this may significantly contribute to higher levels of attrition in many organisations.
- The costs of attracting employees externally can be very high. Thus, facilitating the promotion and internal mobility of any employees who are interested, is a real leverage

for high-performance. However, filling internal positions with new employees from outside the organisation often leaves current employees thinking they are not valued or respected. In many instances, skilled employees may leave the organisation in protest.

- Retaining a positive and motivated staff is vital to an organisation's success. However, poor locations have resulted in push factors for skilled labour and the opposite is achieved.

Armstrong (2012) is of the opinion that in order to better understand the challenges associated with the retention of skilled employees, it is vital that organisations should take into account the well-known important factors of retention management which are as follows:

- a. "Compensation and management must be managed based on the Knowledge, Skills, Attitude and Experience (KSAEs) of the employees.
- b. The organisation should create growth opportunities for employees to enhance their learning experience and earning abilities.
- c. Employees must be engaged on the continuous basis and they should not get bored with their work, which can be managed through internal transfers and training from time to time.
- d. Selection and Recruitment policies must be reviewed to suit the growing needs of the organisation.
- e. Leveraging on technology to manage the organisation and enhancing the technical expertise of the employees will help organisations grow without much problem or attrition.
- f. Employee career path must be declared during the recruitment process and should be explained.
- g. Non-financial rewards, a pat on the back in time and celebrating a small achievement with great fan-fare will help employees feel valued in the organisation.
- h. Senior management should address employees periodically and should make them feel like a family.
- i. The organisation's mission must be reiterated from time to time to reinforce the learning and experience of the people.
- j. Attendance: Policies regarding attendance must be creative and flexible.
- k. Educate employees regularly on what kind of impact they are creating in the organisation through their contribution.

- I. Immediate bosses and middle managers must be flexible and act as Chief Happiness Officers to avoid triggers of attrition.”

Mueller (2012) further asserts that, in order to understand how to attract and retain good employees, organisations first need to know what their best employees want. Employees want career development opportunities and a chance to grow in their chosen field. Employees also want regular feedback on how they and the organisation are doing. The other important aspect is that the employees want a chance to contribute directly to the organisation and be recognised for doing so. Flexible work schedules that recognise their need for work/life balance are also some other aspects that are cited by employees as contributing factors to retention. The employees further cited that a good salary, an opportunity to increase it over time and having benefits tailored to their individual needs are also key considerations which are regarded as important in employee retention (Omollo, 2015).

Armstrong (2014) also argues that employees are any organisation’s best commodity and as such there is need for an organisation to understand the underlying factors that determine employee retention being the following: age of the employee and his/her career interests, organisation’s image, recruitment, selection and deployment, leadership.

A study carried out by Onah and Anikwe (2016) on the attraction and retention of academic staff in Nigerian Universities revealed that the universities studied were not able to attract specialised, skilled and knowledgeable academic staff due to crucial but avoidable reasons. The main reasons influencing the attraction and retention of skilled employees by the Nigerian Universities were cited to be brain-drain, gender gap, unattractive salary packages and lack of adequate training and development.

Nguyen *at al.* (2014) carried out a similar study on the challenges encountered with the recruitment and retention of seafarers in Vietnam. The findings of the study in question revealed that the below-standard graduates, trained seafarers as well as lack of competent on-shore crew executives were some of the contributing factors that subsequently affected the recruitment and retention of skilled seafarers. In addition, the working conditions and living conditions were also cited as factors that influence the retention of skilled seafarers.

Another study was carried out to determine the factors that affect turnover in Kenya commercial banks. The study unveiled three critical aspects that contributed to high turnover being the rewarding system, organisational rules and regulations and lack of communication in the organisation (Kahiro, 2015). Other factors that were cited to add to job dissatisfaction were better job offers elsewhere, poor compensation, a lack of promotional opportunities and black economic empowerment initiatives (Pietersen & Oni, 2014). In another related study carried out to determine the effect of motivation on employee performance of commercial banks in Kenya, the only factor that emerged is that employees are motivated by rewards (Omollo, 2015).

Similarly, job satisfaction, training and development, communication, justice and fairness were cited as critical success factors for employee retention in a study carried out on the determinants of employee retention in Ghana commercial banks (Enu-Kwesi, Koomson, Segbenya & Annan-Prah, 2014). Similarly, Fereja (2016) conducted a study on the Commercial bank of Ethiopia on employee retention mechanism and the benefits and found that job security, work environment, medical benefits, and conducive work environment and employer engagement can influence the recruitment and retention of skilled employees.

The findings of the study by Hejase *et al.* (2016) on Talent Management Challenges in Lebanon pointed out that noticeable performance boost, salary increases, promotions and inner accomplishments are some of the critical factors that enhance or impede retention. A study of demographic preferences by Pregnoloato, Bussin and Schlechter (2017) revealed that it has become critical for organisations given the changing workplace demographics and the scarce skills challenges faced by many organisations to understand the various factors that contributes to the retention of skilled employees. The findings of the study by Pregnoloato *et al.* (2017) further showed that employees regard financial rewards such as benefits, career growth, performance and recognition as the most important factors that facilitate retention.

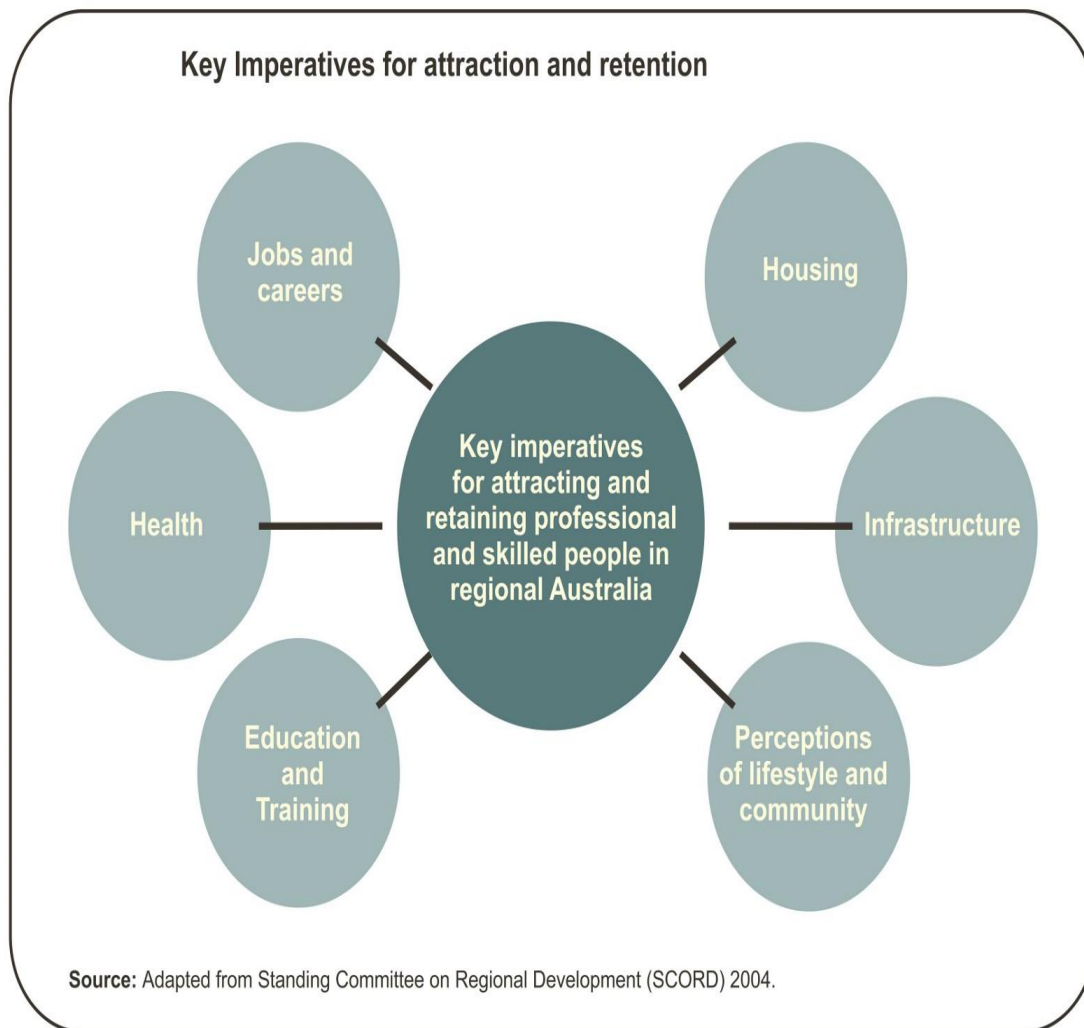
Hejase *et al.* (2016), Kahiro (2015), Onah and Anikwe (2016), Pietersen and Oni (2014), Omollo (2015), Pregnoloato *et al.* (2017) have findings that are in congruence in terms of the extrinsic rewards, namely salary and benefits termed as being the most important factors that influence employee recruitment and retention. In terms of employee motivation as a result of intrinsic rewards, Hejase *et al.* (2016), Enu-Kwesi *at al.* (2014) and Annan-Prah (2014) and Fereja (2016) argue that issues such as inner accomplishments, justice, fairness

and job security influence employees to either join or leave an organisation. Nguyen *et al.* (2014) and Onah & Anikwe (2016) maintain that lack of adequate training and development of employees is another crucial element that impacts on the recruitment and retention of skilled employees.

It emerged from the previous studies reviewed that extrinsic rewards are regarded by employees as key determinants to remain with an organisation. Extrinsic rewards which take the form of pay, bonuses and benefits are normally financial and tangible in nature. They are classified as extrinsic because they are external to the work itself and other people normally control their size and whether or not they are granted.

Figure 2.3 illustrates the factors that directly impacts on the attraction and retention of skilled labour. The factors can be summarised as: jobs and careers, perceptions of lifestyle and community, housing, infrastructure, education and training and health

Figure 2.3: Factors impacting on attraction and retention of skilled workers



The Standing Committee on Regional Development (SCORD) in 2004 commissioned a study which was carried out by the Australian National University (ANU), which highlighted six (6) key factors that has an impact on attraction and retention of skilled labour in organisations.

These factors were:

- i. Jobs and career opportunities whereby many people are interested in working in organisations which can offer rewarding and challenging experiences.

- ii. The affordability and availability of housing is key. Affordable housing is critical for the workforce. Regions and countries where housing is very expensive are a deterrent to attraction and retention of skilled labour.
- iii. Availability of a range of affordable, reliable and effective infrastructure like transportation, telecommunications and energy is critical to the attractiveness of a country and organisation.
- iv. Perceptions of lifestyle and community - social infrastructure encompasses the interdependent mix of facilities, place and spaces, programs and projects, services and networks, in the fields of education, health, housing, child care, culture, urban design, social assistance and welfare that aim to address social outcomes, maintain and/or improve the standard of living and improve the quality of life for a community.
- v. Many organisations realise the importance of location of schools, universities and training campuses as being both a vital source of future skilled employees and as a means of retaining young people within their organisations.
- vi. The capability of organisations to attract and retain professionals is subject to the availability and functioning of health care facilities.

2.12 GUIDELINES FOR MITIGATING THE CHALLENGES OF RECRUITMENT

In view of the above challenges of recruitment cited by Akhigbe (2013), there are various remedies and corrective measures employers may take to mitigate these challenges. Noe *et al.* (2015) proposes that the selection criteria of expatriates should be rigorous and thorough as from the beginning. Foreign nationals should be fully informed and appraised of expectations before the arrival at the intended workplace. Recruiters should not leave room for surprises.

Hill (2010) advises that a geocentric approach is more appropriate when organisations are contemplating cross border recruitment. That according to Hill is when an organisation adopts a strategy of recruiting the most qualified candidates for the positions available in it, regardless of their nationalities. It was noted that organisations that adopt this approach utilise a globally integrated recruitment strategy. For this kind of recruitment, organisations normally use recruitment agencies with international connections and standing to attract skilled employees. In order to effectively utilise the internal source of recruitment, organisations need to develop an internal database of employees and an effective tracking system to identify the most suitable persons for relevant job vacancies.

O'Sullivan (2015) asserts that all organisations these days are struggling to recruit top talent. But most fail to realise that the primary reason why they are coming up short is that they are using outdated recruiting strategies and approaches. O'Sullivan (2015) posits that recruitment, selection and placement should be done by globally tried and tested recruitment agencies or consultants. O'Sullivan (2015) also advises that recruiters should thoroughly test, train and give adequate orientation whilst new recruits are still in their country of origin, so as to minimise surprises when they arrive at the new workplace in a foreign country. Further still, O'Sullivan (2015) purports that expatriates may need continuous support to help them settle-in and get established in a foreign country. The support may include schools for children of expatriates, golf clubs, social events and training for local language and culture.

Gamage (2014) postulates several factors that will assist organisations to overcome the challenges of recruitment as summarised below:

- Integrating employees into the organisation's culture in order to prevent them from failing which would result in employees leaving the organisation. Gamage further argues that the working environment should be conducive in order to support the newly appointed employees by offering them coaching skills.
- Organisations should always strive to open a two-way communication channel to build trust and commitment. Communication is key for an organisation and hence one of the important elements which contributes towards the retention of employees. Poor communication channels cause frustrations and makes employees leave organisations.
- The employees should clearly understand where the organisation is moving and how his or her role contributes to the attainment of the overall strategic objectives and vision of the organisation.
- The development of employees through training in order to enhance their skills and thus positioning themselves for future promotional opportunities within the organisation.
- It is of utmost importance for organisations to prepare job descriptions in advance and clearly outline the key responsibilities to the employees during the initial recruitment stages.

2.13 RETENTION OF SKILLED EMPLOYEES

Sheryl and Hewitt (2012) argue that retaining treasured employees is one of the main challenges that affect organisations in the competitive market place. They further argue that employee retention can be defined as an effort by an employer to keep wanted employees in order to meet business objectives. Skilled employee retention refers to the various attempts by the organisation to keep certain staff members (Mohlala *et al.*, 2012). The organisations cannot afford to lose these key employees to their competitors as they are viewed as a source of competitive advantage for an organisation.

Employee retention entails taking measures to motivate employees to remain in the organisation for a longer period of time (Setia & Singh, 2014). In addition to the above, the onus rests with the organisations to create successful organisations by opting for various options possible when it comes to retaining employees. Most employee retention programmes focus on developing lucrative benefit packages such as contract completion bonuses, gratuity, resettlement benefits, housing and medical benefits and support for family education. According to Hejase *et al.* (2016), recent studies revealed that focusing on short-term extrinsic motivations is not a sustainable solution, but the organisation requires the strategy to have a long-term focus. Therefore, it is vital for organisations to constantly re-evaluate their employee value propositions to establish the changing preferences of employees in order to manage talent more effectively. Grobler *et al.* (2012) defines employee value proposition as everything an employee experiences within an organisation including intrinsic and extrinsic satisfaction, values, ethics and culture. The authors further note that employee value proposition entails how well an organisation fulfils the employees' needs, expectations and aspirations.

Mahal (2012) posits that if employees in organisations are given a positive working environment, they show high organisational commitment and ultimately it brings stability among the employees. The working environment of the organisation does not include only the physical infrastructure, but also the modern technology, tools and equipment. If the employee feels that the new technology and equipment improve his productivity, then loyalty towards the organisation increases.

2.14 IMPORTANCE OF MANAGING RETENTION OF SKILLED EMPLOYEES

Mahal (2012) maintains that an organisation’s success is determined decisively by its specific and unique potential. He further contains that the retention process is essential to ensure developing and implementing practices that reward and support employees and employment for ensuring continuous information and formal learning and development systems.

Barney (1991) argues that the resources that the organisations control such as assets, capabilities, organisational processes, organisation attributes, information and knowledge offer a basis for sustained competitive advantage if the organisation is capable of creating these assets as valuable, rare, imperfectly imitable and non-substitutable.

Table 2.2: Relationship between Resource-Based View and Human Resource Management Practices

			HRM Practices	
			Recruitment	Retention
Criteria of the Resource Based View	Value	Task-specificity, heterogeneity	Personnel Marketing	Financial Incentives
	Uniqueness	Firm-specificity, immobility	Employer Image	Individual career management
	Inimitability	Unique timing, learning, social complexity and casual ambiguity	Internal recruitment	Idiosyncratic job creation

Source: Barney (1991)

The resource-based view (RBV) depicted in Table 2.2 shows that the uniqueness, inimitability and qualities of value have been regarded as the main features of organisational resources that lead to competitive advantage as a result of the correct blend of skilled employees. Previous researchers argued that RBV further enhances human resources

management efficiency. Furthermore, it is argued that these outcomes can be best achieved through particular human resources recruitment and retention practices that meet the criteria of the Resource Based View (Holtbrügge *et al.*, 2010). It therefore emerged in this review that the banking sector customers' choices of a particular bank is influenced by factors such as superior customer service, quality, trust and timelines. Coupled with that are also the strong relationships that assist the organisations given the presence of switching costs, share values and relationship benefits (Armstrong, 2012).

It is worth noting that organisations not only consider the cost factors when striving to retain skilled employees. According to Sinha and Shukla (2013), organisations will benefit greatly from the process of employee retention in the following ways:

- The cost of turnover adds hundreds of thousands to an organisation's expenses. Whilst it is difficult to fully calculate the cost of turnover (replacement, costs, training costs and productive loss), industry experts often quote 25% of the average employee salary as a conservative estimate of turnover cost.
- Loss of organisation knowledge. When an employee leaves, he takes with him valuable knowledge about the organisation, customers, current projects and past history. Much often time and money have been spent on the employee in expectation of a future return. When employees leave an organisation, the investment on them is not realised.
- Customers and clients do business with an organisation in part because of the people. Relationships are developed that encourage continued sponsorship of the organisation. When employees leave, the relationship that they have built for the organisation is severed leading to potential customer loss.
- Turnover leads to more turnovers. When an employee terminates his employment relations, the effect is felt throughout the organisation. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.
- The goodwill of an organisation is maintained when the attrition rates are low. Lower retention rates motivate potential employees to join the organisation.
- If an employee resigns, then a good amount of time is lost in hiring new employees and then training them and this adds to the loss of the organisation directly which may at times go unnoticed.

2.15 KEY STRATEGIES FOR EFFECTIVE RETENTION

Setia and Singh (2014) postulate that a good retention process starts from the time an employee has been recruited until such time that the employee resigns from the organisation. They further argue that employee retention entails adopting measures to motivate employees to remain in the organisation for a longer period of time. Employment best practices by organisations around the world may have a big impact on employee retention. The best employment practices are summarised below:

- Recruitment and hiring are worth spending time and effort on recruiting. When there is a good match between employees and an organisation, retention is less likely to be an issue.
- Orientation and on boarding are worth having good hiring practices in place. Treating employees well in the critical early stages of employment has been proven to enhance retention.
- Training and development are key factors in helping employees grow with an organisation and stay marketable in their field.
- Performance evaluation when employees know what they are doing well and where they need to improve, both the employees and an organisation benefit. Good salary and benefits still count.
- Effective internal communication can help ensure that employees stay with an organisation. Employees need to know and be reminded on a regular basis of how the organisation is doing and what they can do to help.
- Employees who leave on good terms are much more likely to recommend an organisation, and in doing so, help an organisation to attract and retain future employees.

Organisations in general are highly concerned about the implications of high turnover and its impact on organisational productivity as well as the need for on-going recruitment and the costs associated with that. Nwokocha and Iheriohanma (2012) discuss several retention elements that organisations can embark upon in an attempt to address the challenges faced by many organisations. These authors argue that the challenges have shown to play a positive role in improving retention:

- The employer should give potential employees a 'realistic job preview' during the recruitment stage.
- In order to minimise high staff turnover in organisations, employers should reward managers with a good record for keeping people by including the subject in performance appraisals.
- Another retention strategy for organisations is to maximise opportunities for individual employees to develop their skills and move on in their careers.
- It is essential for organisations to create appropriate platforms where employees can have an opportunity to address their concerns through consultative bodies, regular appraisals, attitude surveys and grievance systems.
- Wherever possible organisations should strive to accommodate individual preferences on working hours and times.
- Another element that is regarded as contributing to turnover is where employees are forced to work longer hours than are necessary simply to impress their managers. Employee commitment should be evaluated based on results achieved and not on hours put in.
- Organisations or employers should never discriminate against employees. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations.

Employee engagement is also another important element that plays a pivotal role in employee retention. Kaliannan and Adjovu (2015) argued that engaging employees and making sure that they are committed and productive in their work can benefit an organisation as much as it benefits employees. If an organisation hires the right employees, chances are good they will be engaged and committed to the organisation and will also be happy in their work. But to ensure ongoing engagement, the employer must play a major role, particularly when it comes to communication. According to Thunnissen (2013), the following strategies are considered to be effective:

- Be clear on what your organisation stands for. The organisation's mission, vision and brand must be front and centre in everything an organisation does.
- The organisations' employees need to know on a continuous basis to minimise the grapevine hence it is important that organisations should communicate well and frequently to their employees.

- To get the best out of all the employees, an organisation should know what motivates different generations.
- Ask the employees on a regular basis how they are doing and the organisation should be ready to follow up on employees' inputs.
- Provide the leadership, resources and training as the employees need to realise their full potential. Understanding what engages employees can help during all phases of the employment cycle.

In order for organisations to effectively retain their skilled employees, it is not solely dependent on having good retention policies and strategies in place. Succession planning is similarly regarded as one of the critical aspects that enhance employee retention (Kraai, 2015). According to the Guidelines on Mentoring and Coaching (2006), succession planning is defined as a process of identifying and preparing suitable employees to take up core managerial and leadership roles through various interventions such as mentoring, job rotation and training.

Having said that, for any organisation to effectively retain its employees, succession planning is crucial in that the organisation should identify employees with talent from within and develop such employees to move internally to senior positions. As per the preceding discussions on sources and methods of internal recruitment, succession planning has been cited as one of them. Kraai (2015) carried out a study to investigate how succession planning can be used as a developmental tool in developing managers in the Department of Science and Technology in South Africa. From this study, it emerged that succession planning can be a very useful tool in developing employees within an organisation and reduce staff turnover. Kraai cited the need for organisations to develop robust internal succession systems to effectively manage succession planning and inculcate it in the institutional culture in order to preserve and retain skilled employees as well as institutional memory.

2.16 PERFORMANCE MANAGEMENT

Several critical factors affecting employee retention relate to the quality of performance management (Flippo, 2013). Recruitment focuses on finding skilled employees that have the required skills and experience but that are also most likely to stay on with an organisation in the long-term and perform beyond expected standards, thereby helping an organisation

to reduce turnover and nurture future leaders. Retention should be thought of as a way to keep the conversation open between the organisation and its top talent. Grobler *et al.* (2012) postulate that keeping an on-going conversation as a pivotal priority will allow the organisation to continuously engage with employees, better understand their needs, wants and goals, and ultimately keep the workplace interesting, rewarding and engaging for the workforce.

Performance review is fundamental to talent management given that it gives insight for the reward system, staff development and succession plans. Employee performance management helps to assess competencies of the employees and provide relevant feedback to the employees, thus serving as a tool to assist in the overall management of performance. Bali and Dixit (2016) assert that organisations that are managing their talent deliver better results for shareholders. The human resources manager, as a key strategic business partner and the line managers of the functional business units, must assume the responsibility and accountability for preserving talent needs and worker retention within organisations.

2.16.1 Employee development

Grobler *et al.* (2012) advise that to get more out of top talent means encouraging career planning to emphasise breadth, and not just depth of experience. Today's workers do not want to be pigeonholed. Instead, they are looking for roles that will provide diverse experiences and exposure to new challenges so that they are not just doing a job, but instead, building the competencies they need to advance in their careers. If an organisation does not give employees the chance to develop internally or achieve mobility, training or advancement opportunities as core competencies, then workers are more likely to look for a new job than focus on delivering in their current one (Flippo, 2013).

One of the fundamental roles of the human resources function is to provide a real life experience for the employee to learn how to master a job (Noe *et al.*, 2015). Employee development is an important aspect of talent management and hence human resources professionals and their employees should work together to achieve the goals of the organisation. Development is a continuous process that employees engage in as they pursue their personal goals. The personal goals are in line with the organisational goals

which motivate the employee to improve his or her skills, enhance his competencies and thus become a highly skilled and knowledgeable employee in an organisation.

2.16.2 Employee empowerment

Empowerment is regarded as an important and critical aspect for the successful achievement, organisational growth and productivity (Hanaysha, 2015). Allen (2013) defines 'empowered' as the passing of decision-making authority and responsibility from managers to group members. The success of employee empowerment depends upon the involvement of the two parties, the manager and employee. The aspect of trust between the two parties should be one of the overarching components which form the basis of the relationship between the manager and employee. The findings of the study by Hanaysha (2015), which examined the effects of employee empowerment, teamwork in Malaysia, pointed out that employee empowerment has a significant positive effect on organisational commitment and team work.

2.16.3 Employee retention

Flippo (2013) emphasises that it is important to work diligently with individual employees in order to capture their career ambitions and professional objectives. This helps the organisation to be able to offer employees opportunities and bring into line responsibilities with their long term goals in order to give meaning to their purpose. By so doing, workers are of the view that the work they do today will pay off in the future and hence provide the career path they want without having to leave their current organisation to get it elsewhere.

According to Armstrong (2012), recruiting and retaining skilled employees is more essential these days unlike in the past. A number of trends make it vital that organisations acquire and retain human capital. Although there are important differences across countries and regions, an analysis of the costs of turnover (Thomas, 2013) as well as labour shortages in critical industries across the globe have emphasised the importance of retaining key employees for organisational success.

2.16.4 Employee motivation

Ayanyinka and Emmanuel (2013) define motivation as a work situation which entails the preparedness of individuals and teams to exert a high level of effort to attain organisational goals, conditioned by the effort and capability to satisfy the individual's and teams' needs. Talented employees usually tend to stay at a place where they can envisage personal growth, a challenging job and good employee-manager relationship.

2.17 ORGANISATIONAL CULTURE

Culture is the set of behaviours, values, artifacts, reward systems, and rituals that make up an organisation (Pakdil & Leonard, 2015). An organisational culture can be felt when visiting an organisation because it is often reflected in the way the employees live up the values of the said organisation. Ayanyinka and Emmanuel (2013) further explain organisational culture as a climate of an organisation which is based on the shared values, norms, beliefs and traditions that have been established over time in an organisation. The culture is what guides employees on the acceptable way of conducting themselves during the course of doing business.

According to Pakdil and Leonard (2015), organisational culture is one of the most important but least understood parts of an organisation. Culture is regarded in organisations as the most powerful influence hence the reason leaders should enhance their organisation's culture through maintenance, sustenance and change. Organisational culture needs to be respected for what it is, a valuable asset and a key driver for effective employee engagement, recruitment and retention. Organisations using their culture to differentiate themselves in the market place to prospective employees are smart and will reap the benefits in their recruitment and retention strategies.

Schein (2010) is known as one of the pioneers of organisational culture. Schein (2010) makes a distinction of three levels of organisational culture as summarised below:

- Artifacts and behaviours which include any tangible, overt or verbally identifiable elements in an organisation. Architecture, furniture, dress code, office jokes, all illustrates organisational artifacts. Artifacts are the visible elements in a culture and they can be recognised by people not part of the culture.

- Espoused values are the organisation's stated values and rules of behaviour. It is how the members represent the organisation both to themselves and to others. This is often expressed in official philosophies and public statements of identity. It can sometimes often be a projection for the future of what the members hope to become.
- Assumptions are the deeply embedded, taken-for-granted behaviours which are usually unconscious, but constitute the essence of culture. These assumptions are typically so well-integrated in the office dynamics that they are hard to recognise from within.

The three levels refer to the degree to which the different cultural phenomena are visible to the observer. According to Flippo (2013), the benefits of a positive culture are improved performance, increased productivity, better talent retention and greater facilitation of change initiatives. According to the exploratory study by Tedla (2016), which examined the impact of organisational culture on performance, lack of effective organisational culture and poor cultural integration affects the overall performance of the organisation and reduces shareholders' return on investment. It is therefore important that organisations should strive to promote a conducive corporate culture in which employees can thrive. The right organisational culture which encourages creativity supports the resourceful mind that is determined to apply knowledge and expertise to influence the increase of the output of the organisation.

2.18 FACTORS THAT CONTRIBUTE TO STAFF TURNOVER

Allen (2013) defines the concept of voluntary turnover as turnover that has been initiated by the employee him/herself whilst involuntary turnover is the turnover initiated by the organisation itself, for example, an instance where an employee has been dismissed for whatever reasons. In relation to voluntary and involuntary turnover, it is vital for the researcher to establish why skilled employees at a Namibian bank leave and what implications such turnover has for this Namibian bank.

Different types of turnover have serious implications on organisations such as the dysfunctional voluntary turnover (Pietersen & Oni, 2014). Dysfunctional turnover can be harmful to organisations given that it takes various forms such as the resignations of the skilled employees, who are hard to replace, resignations of women and thus eroding the diversity of organisations workforce. Voluntary staff turnover can be costly for organisations hence it is of outmost importance for organisations to manage the staff turnover more

effectively. Talent leads to outstanding performances and talented employees are normally valued and admired within an organisation. Talent is perceived as something valuable, rare and hard to imitate. Talented employees can be viewed as a strategic tool for organisations. Retaining skilled employees is very desirable for any organisation in order to meet its objectives (Mrope & Bangi, 2014). Employee departures are quite costly for organisations in terms of time, money and other resources.

According to Bilau, Ajagbe, Sholanke and Sani (2015), in organisations, there are several reasons why skilled employees leave their jobs which amongst others entail the following:

- To go back to school and further their studies.
- To take up other jobs.
- To become fulltime housewives and take care of their children.
- Retirement.
- Impulsive resignations as a result of discontentment.
- Self-actualisation achieved in terms of career aspirations.

The above reasons for turnover do not necessarily have the same implications to organisations. Allen (2013) classifies turnover into different categories according to the implications it has on organisations. Cooke, Saini and Wang (2014) conclude that some of the reasons that contribute significantly to the departure of talented employees are to do with when managers give unrealistic performance goals and objectives, notwithstanding the feasibility aspects of the commodity and the quality of the product in setting such set goals.

2.19 SUMMARY

In Chapter 2, an extensive review of related literature on recruitment and retention of skilled employees was covered. The areas of major focus were talent management, recruitment and retention of skilled employees. Chapter 2 further discussed factors that facilitate or impede recruitment as well as sources and methods of recruitment, and their respective advantages and disadvantages.

Chapter 3 discusses the qualitative research methodology and research design, population of the study and sampling techniques. The chapter further explains methods of data collection and data analysis techniques, and ethical considerations.

CHAPTER 3

RESEARCH METHODOLOGY AND DESIGN

3.1 INTRODUCTION

Chapter 1 provided the background to the study, the rationale, problem statement, primary and secondary objectives as well as an overview of the research methodology used in this study. This chapter concluded with definition of key concepts, significance of the study, limitations, delimitations, ethical considerations and the chapter layout.

Chapter 2 provided a comprehensive review of important theoretical foundations, concepts, characteristics and approaches which are fundamental to understanding the challenges of recruitment and retention of skilled employees in organisations.

This chapter focuses on the discussion of the research methodology and research design, population of the study, sampling technique used in selection of the sample for the study, methods of data collection, data analysis techniques and ethical considerations. This chapter is important as it serves as the road map of how the research was conducted.

3.2 RESEARCH METHODOLOGY

Research methodology is viewed as a framework that summaries the methods and procedures to be adopted during the collection and analysis of the required data from participants (Saunders *et al.*, 2016). The methodology outlines the comprehensive philosophical underpinnings of the selected research methods. Easterby-Smith, Thorpe and Jackson (2012) say that research methodology refers to the way that the researcher groups together the research techniques to make a coherent picture.

The two most used methodological approaches which often are adopted by most of the studies are the qualitative and quantitative designs. The main difference between qualitative research designs and quantitative research designs is that the qualitative designs use words generated from open-ended questions while the quantitative designs rely on numbers and the use of closed-ended questions (Creswell, 2014). Table 3.1 illustrates the differences between qualitative and quantitative designs.

Table 3.1: Comparative analysis of Qualitative and Quantitative Research

Item	Qualitative	Quantitative
Definitions	Systematic subjective approach to research used to define life experiences and give them meaning.	Systematic objective approach to research for obtaining information, testing relationships and examining causes and effects.
Goals	To gain insight, explore the depth, richness and complexity of the issue.	To test relationships, describe issues and examine cause and effect relations.
Characteristics	Soft science, social sciences and business sciences. The focus is complex and broad, holistic and subjective. The basis of knowing is to discover and give meaning.	Hard science, core sciences and pure sciences. The focus is concise and narrow. The objective is knowing based on cause-effect relationships.
Data analysis	The basic element of analysis is the Word (NVivo), individual interpretation and uniqueness. The themes are contextual and not generalised.	The basic element of analysis is usually numbers, statistical analysis (SPSS) and generalisation.
Role of researcher	Qualitative researchers interact with the participants and they are biased.	Quantitative researchers are independent and not so biased.
Process	Qualitative research is flexible.	Quantitative research is rigorous, well planned, and systematic.
Reasoning	Qualitative research is inductive and focuses on theory building.	Quantitate research is deductive and it starts with theory.
Generalisability	Qualitative research is context specific.	Quantitative research is generalised to a population.
Analysis	Qualitative research uses non-standard methods.	Quantitative research is reduced to variables that can be analysed statistically.
Reporting	Qualitative research is context based.	Quantitative research is rule based.

Source: Yin (2014)

Yin (2014) refers to several advantages and disadvantages of qualitative research which are summarised as follows:

Advantages:

- It allows issues to be evaluated in detail.
- It gives the researcher a much greater scope of topics to select from.
- Questions are not constrained to a few responses.
- Questions can be redirected in real time.
- The research direction can be revised as new vital information emerges.
- The data gathered depends on the real experience of people and is compelling than data gathered from the researcher's assumptions.
- It gives room for the generation of new knowledge.
- It gives the researcher a clear view of what is happening.

Disadvantages:

- The quality of the research depends on the capabilities of the researcher.
- Inability to cover sufficient variables.
- Limited to studying the past occurrences only and not ongoing events.
- Findings can be influenced by the ideas and bias of the researcher.
- The volume of data makes the interpretation and analysis cumbersome and time consuming.
- Confidentiality is sometimes difficult to maintain during the presentation of data.
- Difficulty in drawing an adequate sample of respondents and obtaining a sufficiently high response rate like in a survey.

According to Saunders *et al.* (2012), the choice of qualitative research designs are justified by the following reasons:

- Ability to embrace both verbal and non-verbal behaviour, determine meanings, and uncover complex issues.
- Flexibility whereby it enables the researcher to alter their chosen research design as and when required.
- The ability to provide an improved understanding and more comprehensive description of the problem.
- Ability to depict perspectives and express feelings and experiences.
- Capability to contextualise actions in different situations.

According to Bryman (2015), an inductive approach is a change from the specific to the general. In the inductive approach, observations and theories are the key aspects for the researcher to start with in order to seek patterns in the data (Frels & Onwuegbuzie, 2013).

A qualitative approach denotes to the research that focuses on the understanding of an occurrence from an inside perspective whereby investigation and interpretation is used (Saunders *et al.*, 2016). According to Bryman (2015), qualitative research entails collecting, analysing and interpreting data about what individuals do and say (Creswell, 2014). This research is focused on perceptions and experiences of the participants of the Namibian bank. Based on the characteristics of qualitative research and as indicated in Chapter 1 of this study, the researcher used the qualitative research approach.

The researcher opted for the qualitative research approach as the face-to-face open individual interviews enabled the researcher to interact with the Namibian bank participants and their respective environments. The other reason why the researcher used the qualitative research design is because qualitative research is people centred as stated by Creswell (2014). The study in question aimed to explore the views of the participants on challenges of recruitment and retention at a Namibian bank.

3.3 RESEARCH DESIGNS

A research design refers to a comprehensive plan that outlines the methods and procedures used when collecting and analysing information (Creswell, 2014). Research design refers to the science and skills of planning procedures to execute a study with the aim to attain the maximum valid findings. By determining the research design, the researcher will be able to develop a detailed plan and strategy which can be used in guiding the research (Saunders *et al.*, 2016). Creswell (2014) points out that qualitative research is an approach embarked upon by a researcher to explore and understand meanings of individuals in a social context. The choice of a research design will reveal the decisions regarding the importance accorded to the dimensions of the research process. In this study, the researcher sought to discover answers to questions relating to the challenges of recruitment and retention of skilled employees at a Namibian bank.

In this study, the researcher adopted an exploratory and descriptive qualitative research approach which was deemed to be appropriate for this study. The reason was that the

researcher had the ability to enter the Namibian bank's participants' real life world and study their experiences as employees dealing with the recruitment and retention of skilled employees. The researcher explored the challenges of recruitment and retention of skilled employees at the Namibian Bank through the analysis of various documents such as the Namibian bank policies, resignation forms and turnover statistics. The researcher further explored the available related literature and analysed the face-to-face individual interviews conducted with the participants of the Namibian bank. In view of the aforesaid, the researcher described in detail the challenges faced by the Namibian bank and provided suggestions on how the challenges can be addressed.

Yin (2014), postulates that "case studies involve the analysis of people, situations, results, organisations and policies as well as systems that are explored holistically through either one or more methods." An instance of a class refers to a specific case which is a subject of enquiry. In this research, the researcher focused on a single case study. The case study in this research was the Namibian bank whereby the researcher described and explored the challenges of recruitment and retention of skilled employees. This case study was chosen because the researcher is familiar with the situation at the Namibian bank given that the researcher was previously employed at the Namibian bank. The researcher was able to gain access to valuable information needed in carrying out this research. The researcher does not work at the Namibian bank anymore and as such has no vested interest hence there was no conflict of interest.

3.4 RESEARCH PHILOSOPHY

Bryman (2015) refers to research philosophy as a set of beliefs regarding the nature of the reality being examined. The research philosophy utilised in this study is based on interpretivism, which, according to Saunders *et al.* (2016), is said to require the researcher to interpret the various elements of the study. It gives the assumption that admittance to reality is gained through making social constructions like language, feelings and shared meanings. According to Silverman (2013), the development of the interpretivism philosophy allows the researcher to appreciate differences within situations and various methods of data collection such as interviews and observations, which can be applied to reflect different aspects of a phenomenon. Post-positivist epistemology refers to the philosophy of knowing and understanding the reality of external environment or the world better. Creswell (2014) says that post-positivism research principles underscore the meaning and formation of new

knowledge. Therefore, in exploring and describing the challenges of recruitment and retention of skilled employees in a Namibian bank, the researcher approached this study from a post-positive/post-modern philosophy.

3.5 RESEARCH METHOD

3.5.1 Population of the Study

It is argued that the population of a study should be able to provide the information to answer the research questions (Khan, 2014). As stated in Chapter 1, section 1.7.7, the population of this study constituted of 165 employees who are employed in the Namibian bank at management and senior executive level of which 25 were branch managers, 125 functional managers, five Human Resources managers and 10 Senior executives. As stated in the same section, all research studies must be feasible, have time and money constraints, which determine how many of the target population can be reached. Therefore, the researcher had to use a sampling technique in determining the sample for this study.

3.5.2 Sampling technique and procedure

According to Etikan, Musa and Alkassim (2015), non-probability sampling refers to a sampling procedure, which does not afford any basis for guessing the likelihood that each item in the population will be included in a sample. It encompasses deliberate sampling, purposive sampling or judgemental sampling, which, is mostly used in qualitative research studies. Kothari (2011) argues that this type of sampling method whereby items for the sample are selected purposefully by the researcher enables the researcher to have a greater choice in terms of items. Therefore, the judgement of the researcher plays an essential part in this sampling design. In non-probability sampling techniques, the researcher does not need underlying theories or a set number of participants. It merely allows the researcher to decide what needs to be known and sets out to find people who are able to provide the information by virtue of knowledge or experience (Etikan *et al.*, 2015). Purposive sampling is defined by Yin (2014) as the process that entails the identification and selection of individuals that are proficient and well informed with a specific phenomenon being explored.

In order to select participants for this study, the researcher used purposive sampling within the non-probability sampling technique. Purposive sampling was used, as the researcher already knew something about the specific universe or events and deliberately selected the particular universe because they were deemed to be likely to produce the most valuable data.

The selection criteria used in the sampling process were:

1. Participants must be permanent employees.
2. Participants had to have at least five years' experience working in the Namibian bank.
3. Participants should, in these five years, have been exposed to the recruitment and retention processes in the Namibian bank.

To be able to have a broad understanding of the Namibian bank's challenges pertaining to the recruitment and retention of skilled workers, the participants were selected from the majority of the branches of the Namibian bank; with only one participant from each branch. The selection of the participants that took part in this study was done based on the ability of the participants to add value to the research given their past experience and knowledge in the recruitment and retention of skilled employees at the Namibian bank.

3.5.3 Sample size

As stated in Chapter 1, the participants were selected from the Namibian bank retail branches, the Human Resources Department and the Head Office in Windhoek. The researcher made provision to interview participants from the different branches and managerial groups namely, functional managers, branch managers, human resources managers and senior executive managers.

In qualitative research there are no hard and fast numbers that represent the correct number of participants in a study. Yin (2014) advises that qualitative research can be carried out with one participant or more depending on the nature of the research. In qualitative research, the focus is not on numbers, but the words and meaning of the participants. Therefore, the number of participants in a study is determined by the principle of data saturation. This occurs when the information provided by the participants become repetitive.

The table below, Table 3.2 provides an overview of the participants selected.

Table 3.2 The target population and the participants in this study

Group No.	Total Site population	Age group	Population based on experience	Participants
Group 1	661	21 – 64	25 Branch Managers	5 Branch Managers
			125 Functional Managers	5 Functional Managers
			5 Human Resources Managers	5 Human Resources Managers
Group 2			5 Senior Executives	5 Senior Executives

3.6 DATA COLLECTION

In this section the researcher provides an account of the preparation for the study; the determination of the manner in which the data were collected; development of the research instrument; the preparation of the participants and the data collection process.

3.6.1 Permissions for conducting the study

Prior to conducting the research, the researcher obtained ethical clearance from the Department of Human Resources at the University of South Africa (Appendix 4). Thereafter, the researcher requested permission to conduct the research at a Namibian bank and obtained written permission to conduct the research (Appendix 1). Department of Human Resources of the Namibian bank thereafter provided the researcher with a list of participants who met specific criteria. The researcher then used the list and the selection criteria, listed above, to select the participants.

3.6.2 Data collection method and instrument

In qualitative research, the data collection methods are unstructured interviews, semi-structured interviews, focus groups and observation. The researcher decided that conducting semi-structured interviews, using an interview guide was the appropriate data collection method for this study. Yin (2014) states that in terms of an interview guide, the

interviewer is provided with a general guide on the type of information to be obtained, but the exact formulation of the responses is largely the participant's responsibility.

Face-to-face individual interviews, according to Etikan *et al.* (2015), refer to a data collection method whereby the researcher communicates directly with the participants and ask a set of pre-determined questions. The researcher opted for face-to-face individual interviews as they gave the researcher the flexibility to probe when needed. An advantage of face-to-face individual interviews is that they allowed the participants to provide their answers in full, in their own words, without having to fit any categories pre-determined by the researcher (Bryman, 2015). According to Bryman (2015) face-to-face individual interviews are regarded as ideal where researchers are exploring a new area which they have limited knowledge of. The interviews provide the participants with options to decide the wording of the answer, the length of the answer and the kind of matters to be raised in the answer.

The reason why the researcher opted for semi-structured interviews and an interview guide consisting of open-ended questions was that the researcher was of opinion that the participants would be more willing to give their views in a one-to-one situation, than in a focus group. The nature of the research topic called for a semi-structured interview rather than an unstructured interview, where only one question is posed. This allowed the researcher to make observation while the participants communicated their views.

The researcher prepared an interview guide with open-ended questions were questions based on pre-determined notions were listed (refer to Annexure 2).

3.6.3 Preparation of the participants

The researcher then sent an email to the potential participants. The researcher explained in the email the rationale, the purpose and main objectives of the study first and then invited the participants to participate in the interviews. Those who indicated willingness to participate were approached and received written details of the interviews (Appendix 3). The researcher made telephonic follow-ups and sent email reminders to the participants to attend the interviews. The informed consent form was given to the participants two days prior to the interviews which gave the participants' sufficient time to review the documents before signing them off. The signed informed consent documents were given to researcher during the actual interview (Appendix 3). An informed consent is when an individual knowingly gives consent

without being under any undue inducement, force, fraud, duress or any other form of constraint or coercion exercise upon him/her by the researcher (Saunders *et al.*, 2014).

3.6.4 Data collection process

The interview guide used by the researcher during the interview session, was distributed to the participants on the same day the interviews were conducted. The method of distribution of interview guide has an advantage of clarifying all grey areas encountered during administration of the instrument.

The researcher conducted face-to-face individual interviews with employees of the Namibian bank over a period of 1 month based on their availability and convenience. In order to ensure maximum confidentiality and privacy of the interviews, the researcher conducted the interviews in the boardrooms at the Namibian bank branches in Windhoek. With the permission of the participants, a digital recorder was used to record the conversation for transcription after the interviews. A back-up recorder was put on the table at the Namibian bank boardroom during the recording process in order to mitigate risks.

According to Walker (2012), data saturation is achieved when the researcher has gathered enough information to reproduce the study and the ability to collect additional new information has been exhausted. Kerr, Nixon and Wild (2010) notes that failure by a researcher to reach data saturation in qualitative research may have an impact on the quality of the research. The researcher anticipated that data saturation could occur after approximately 15 interviews. Although data saturation started after 13 interviews were conducted, the researcher interviewed 20 participants to ensure data saturation within all the sample categories.

The interview data collected were stored at the researcher`s store room at the researcher`s residence. The researcher personally delivered the password protected and encrypted device, on which the interview data were recorded, to a professional transcriber who transcribed all the interviews. An extract of one full interview from the main interviews is included in this dissertation as Appendix 7.

3.6.5 Pilot Study

According to Dikko (2016), a pilot study is defined as a small version of a research run on a trial basis in order to prepare for the main research, which aim is to specifically pre-test a research instrument. Dikko argues that a pilot study helps the researcher to have greater insight and to establish the reliability and validity of the research instruments.

In order to ascertain the efficacy of the research instruments, identify areas that require revision and correction and refine the research instrument, a pilot study was carried out in this study. The researcher conducted a pilot study at the Namibian bank, with five participants, using the same interview guide used in the main study. These participants were identified from the list of possible candidates provided by the Namibian bank and did not take part in the main study.

The participants in the pilot study were two branch managers, two functional managers and one senior manager. The pilot study was conducted over a period of one week. The pilot study interviews were conducted, in a boardroom, in English over an average time of 30 minutes per participant. A professional transcriber transcribed the data. In reviewing the transcribed documents, it was clear that the participants understood the questions and provide answers that were satisfactory to the researcher. There were no errors indicated by the participants. The pilot interviews were also completed within the reasonable period with all questions and sub-questions addressed. Therefore, no adjustments were necessary.

3.6.6 Data analysis

According to Creswell (2012), qualitative content analysis is an analysis technique used in subjective interpretation of the content of text data through the methodical classification process of coding and identifying themes. Qualitative content analysis is mainly inductive, with its foundation being the examination of topics and themes, as well as the inferences drawn from them (Yin, 2014).

Interpretive researchers endeavour to derive data through direct interaction with the participants in a study. An essential aspect of data analysis in qualitative case studies is the search for meaning by use of direct interpretation. Creswell (2014) defined qualitative data

analysis as a process that involves working with data by organising and breaking the data into manageable units through coding, synthesising and searching for patterns.

The main objective of analysing qualitative data is to discover patterns, concepts, themes and meanings. In case study research, Yin (2014) discusses the need for searching the data for patterns which may explain the fundamental correlation in the data base during which process the researcher focuses firstly on the whole data, thereafter dismantle the data and lastly re-constructs it to be more meaningful. By categorising the data, the researcher is in a position to draw comparisons and contrasts between patterns and complex threads of the data in an attempt to make sense out of it. A process sometimes referred to as “open coding” is often utilised whereby the researcher recognises and classifies the conceptual categories into which the phenomena observed would be grouped. The aim is to create descriptive, multi-dimensional categories which provide a preliminary framework to be used for analysis.

The transcriber used codes to protect the identification of the participants. The table below, Table 3.3 states the unique codes formulated by the researcher.

Table 3.3: Unique codes allocated to participants according to their categories

Target participants category	Code
Namibian bank functional managers	NBFM
Namibian bank branch managers	NBBM
Namibian bank senior executives	NBSE
Namibian bank human resource managers	NBHRM

According to Creswell (2014), NVivo software is a windows software programme, which is used to efficiently manage non-numerical and unstructured data with powerful processes of indexing, searching and theorising. The researcher, with the assistance of an external coder developed a template to feed the interview data into the NVivo data analysis programme. By using Version 10 of the NVivo software, the researcher was able to manage, shape and group, unstructured data collected during the face-to-face individual interviews with relative ease. In addition, the organising of data through the NVivo software expedited the research process.

The organised data and the individual transcribed interviews were then emailed to an independent. The independent coder was chosen based on extensive experience in coding and knowledge in qualitative research. The researcher and the independent coder individually analysed the data, using, the Five-Phased Data Analysis Cycle as described by Yin (2011). The independent coder used the middle three steps of the five steps. The five steps used are the following:

- 1) Compiling: This process started with documenting the interviews and was done by the researcher assisted by a professional transcriber.
- 2) Disassembling: This step started with the use of the NVivo programme. The research and independent coder then continue with the process,
- 3) Reassembling and arraying: After the data was categorised, this step was used to put the identified important themes together. This step was repeatedly implemented until the themes, sub-themes and categories presented the data collected.
- 4) Interpreting: The themes and sub-themes were interpreted and substantiated with direct quotes from the transcribed documents.
- 5) Concluding: This last step already started with the interpreting of the data and was finalised in the presentation of the research findings in Chapter 4.

Because of distance and appointments, a consensus meeting between the researcher, supervisor and independent coder, could not realise. The supervisor and independent coder met. The themes, sub-themes and categories identified by the researcher and independent coder had a 95% match. The researcher only documented more themes, which were condensed within the tree themes with more sub-themes. After consultation between the supervisor and researcher, the latter accepted decided to use the structure of the independent coder. This resulted in the identification of three main themes and fifteen sub-themes. Subsequent to the development of the main themes and sub-themes, the researcher validated the research data to the documentary analysis and related literature that were reviewed in the study in order to generate meaning from the data. The three main themes identified were:

Theme 1: Bank employees' opinions of the bank's recruitment strategies related to skilled staff.

Theme 2: Bank employees' opinions of the bank's retention strategies related to skilled Staff

Theme 3: Bank employees' opinions of the staff turnover of skilled staff at the bank

An in-depth discussion of these themes and sub-themes is presented in Chapter 4.

3.6.7 Data verification

Trustworthiness is a moral value considered to be a virtue with regard to the ability, benevolence as well as integrity of a trusted individual (Creswell, 2014). The concept represents the degree of trust of the participant during data collection stage. The researcher believed that all participants lived up to their expectations and upheld their integrity during the interview process. The research and the participants demonstrated a strong relationship in their engagement during research. As a result, trustworthiness remained indispensable in this research.

Gunawan (2015) points out that trustworthiness manifests itself through the application of credibility, dependability, conformability and transferability. The said author argues that credibility in qualitative research refers to the use of observations, triangulation of data, theories and investigations as well as methods whereby data and interpretations are tested by means of research. According to Yin (2014), conformability and dependability denote reliability or stability of findings. Yin (2014) further indicates that transferability aims to explore the degree to which findings were context bound. In order to give effect to that, the researcher considered the following key aspects in order to ensure that trustworthiness was maintained in the study:

- **Credibility** - De Vos, Strydom, Fouché and Delport (2013) say that credibility ensures that the research data are accurate and truthful. These authors further argue that credibility enables the researcher to validate the subject and presentation of the research. In this study, the researcher ensured validity with the in-depth interviews. In addition, the researcher also had other engagements with other functional and branch managers of the Namibian bank who could not participate in the face-to-face individual interviews. The interaction corroborated the data that emerged from the main study interviews given the consistency thereof and this prolonged engagement enhanced the credibility of the research.

- Dependability - The researcher ensured that the process during the study was reported extensively and in so doing enabled future researchers to repeat the study and still yield similar results. The in-depth reporting enabled the reader to assess the extent to which proper research practices have been followed which entails the research design, implementation as well as the operational details of the data gathering process.
- Confirmability - The researcher employed triangulation in order to promote confirmability and thus reduced the effect of researcher bias. The research further ensured that beliefs underpinning decisions made, methods and approaches adopted, weaknesses in study methods and their potential effects were acknowledged within the research report. Furthermore, the researcher adopted a comprehensive methodological description which allowed the integrity of research data to be verified.
- Transferability - The researcher ensured that she described the research method and process in as much detail as possible to allow for potential future researchers to use the same method and process to duplicate this study in other banking contexts.

3.7 ETHICAL CONSIDERATIONS

The researcher is a stakeholder and must abide by rules of ethical conduct. A body funding the research may have a vested interest in a particular finding or the way a research is presented. This can compromise the ethical standing of the research. The independence of the parties is important in the maintenance of ethical standards of research (Saunders *et al.*, 2016). Therefore, the researcher observed ethical considerations during the conducting of this study.

In data collection, the wasting of the participant's time may be deemed to be unethical. Therefore, the research purpose and objectives must be worthy and of some value to society. If the research is going to be of some benefit to society directly or indirectly, it is acceptable to ask questions provided that the participants' informed consent is provided. Therefore, it is important to justify the relevance of the research, the reasons for which data were collected from the various Namibian bank branches and Head Office and how data were used during the data analysis process.

The researcher further ensured that all the participants signed the informed consent form to indicate that they voluntarily agreed to take part in the study. The participants were in a position to give such written informed consent before the face-to-face interviews were conducted. Kumar (2006) stated that sharing information about a participant with others is unethical.

In view of this, the researcher deemed it important to maintain confidentiality and participants were willing and able to provide information. Given the nature of banking institutions and the confidentiality of information, the researcher maintained the strictest confidentiality with all information and protected the identity of the participants. In order for the researcher to ensure maximum confidentiality, the research findings were reported in an anonymous manner to the Namibian bank. The researcher also used unique codes such as NBSE1, NBHRM2, NBBM3 and NBFM4 in order to protect the identity of the participants, whereby each participant based on the various managerial categories, was given a unique code to identify the participants. During the face-to-face individual interviews carried out at the Namibian bank, it was not possible to identify individuals based on the data obtained and reported. Personal particulars such as names were not recorded and responses were not linked to individuals. The process ensured that anonymity of participants during the research was maintained.

Proper management of research data enables the reliable verification of results and hence accurate and secure storage of research data formed an integral part of the data management process in this study. The data collected included technical data, digitally recorded research data, human resources documentation, notes or exact copies thereof that were the result of original face-to-face individual interviews conducted. The data that were gathered are of a confidential nature hence it is of utmost importance to protect the research data from unauthorised disclosure and alteration of any kind. The researcher recorded the face-to-face interviews on a digital recorder which was protected by a password. In addition to the above, the researcher also implemented a tiered data-security strategy by encrypting the data collected during the research in order to prevent any accidental or intentional destruction or corruption of the research data. The researcher stored the research data in a secure place for at least five years or until such a time that there is no reasonable possibility that the researcher will be required to present the data as evidence.

3.8 DOCUMENT ANALYSIS

Bryman (2015) argues that documentary analyses entails obtaining data from existing documents without going through the process of asking participants' questions through interviews, questionnaires or by observing behaviour. Documentary analysis is regarded as one of the main methods used by historians to obtain data about their research subjects (Kothari, 2011). Furthermore, Creswell (2014) posits the importance of documents as tangible materials in which essential facts or ideas have been stored. Reference to documents entails items produced on paper, such as newspaper articles, booklets, official correspondences, government policy records and minutes of meetings. Some documents are accessible to the public whilst others are regarded as confidential and thus not available (Bryman, 2015). Given the sensitive nature of banking operations, all data analysed in this study were of confidential nature and as such the researcher ensured that no unauthorised persons were privy to the information. In this study, document analysis involved various policies that were retrieved from the Namibian bank which includes the Namibian bank's recruitment policy, talent management policy, staffing policy, staff culture survey and the staff climate survey. The researcher also analysed the exit interviews, resignation forms and staff turnover reports. The researcher carried out the document analysis prior to the commencement of the main study interviews with the participants of the Namibian bank.

The purpose of document analysis was to enable the researcher to draw upon multiple sources of evidence; that is, to seek convergence and corroboration through the use of different data sources and methods (Yin, 2014). In this study, the researcher used the research data from document analysis, face-to-face individual interviews and previous related literature reviewed which data provided a confluence of evidence that confirmed the credibility of the study. Document analysis further provided an insight into participants' views on the challenges of recruitment and retention of skilled employees at the Namibian bank. The document analysis also enabled the researcher to complement the face-to-face individual interviews in data collection. The document analysis also revealed the high turnover trends of the Namibian bank when compared to its competitors as per the industry turnover statistics received from the Bank of Namibia (Bank of Namibia Annual Report, 2015).

3.9 SUMMARY

This chapter presented the research methodology that was employed in this study. Systematic steps involved in carrying out the research were discussed in this chapter. The methods of collecting data by means of interview guide have been explained in this chapter. The research approaches, research methodology and design, strategy and philosophy were covered in this chapter. The researcher also discussed how the themes and sub-themes were identified.

The study proceeds to Chapter 4 which provides the findings and presentation of data.

CHAPTER 4

DATA ANALYSIS AND PRESENTATION

4.1 INTRODUCTION

The previous chapters covered various aspects pertaining to the study in question. Chapter 1 provided a general background of the Namibian banking industry and the Namibian bank. An overview of the study that encompassed the theoretical framework on the challenges of recruitment and retention was also covered in Chapter 1. The background of the study, the rationale for the study, the research problem, research questions and research objectives were also covered. Chapter 1 also described the research design and methodology, definition of key terms, significance of the study, limitations and delimitations of the study. Finally, the researcher briefly discussed the ethical considerations, the layout of the ensuing chapters and concluded Chapter 1 with a brief summary.

The second chapter provided a more comprehensive review of core theoretical foundations, concepts, characteristics and approaches which were fundamental to understanding the challenges of recruitment and retention of skilled employees in organisations. Previous research studies that focused on recruitment and retention, talent management and retention were also discussed.

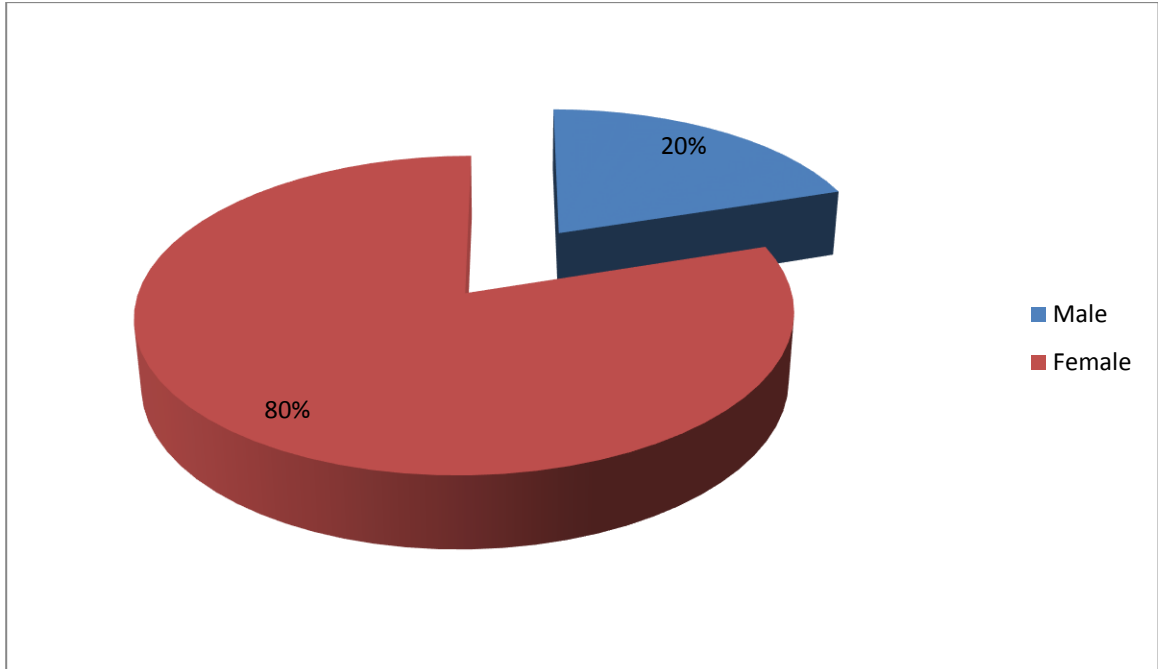
The third chapter focused on the presentation of the research design, population of the study and sampling techniques. The chapter also covered methods of data collection that included face-to-face individual interviews, the data collection process, data analysis and ethical considerations.

This chapter focuses on the primary data that were collected during the research. The first section of data presentation covers demographic data that provide information in line with particular insight into the nature of the participants in this study. The second section presents research findings in terms of the themes and sub-themes that emerged from the transcribed data.

4.2 BIOGRAPHICAL DATA OF THE PARTICIPANTS

In this section the researcher presents and discuss the biographical data of the participants.

Figure 4.1: Gender distribution



The results depicted in Figure 4.1 show that 80% of the participants were female and 20% of the participants were males. The results show that there is not a fair distribution of participants by gender. The results revealed that most of the managerial positions are occupied by the females within the Namibian bank. Only one functional manager, branch manager and two executives were female.

Figure 4.2: Age distribution

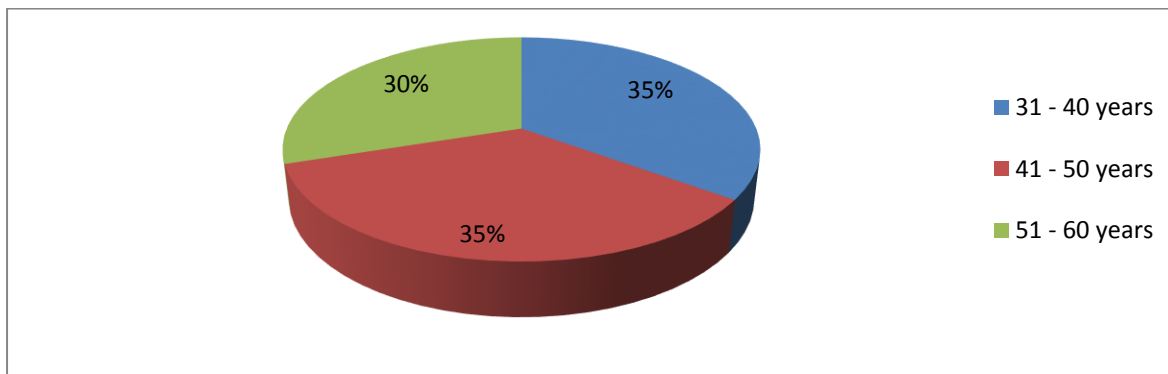
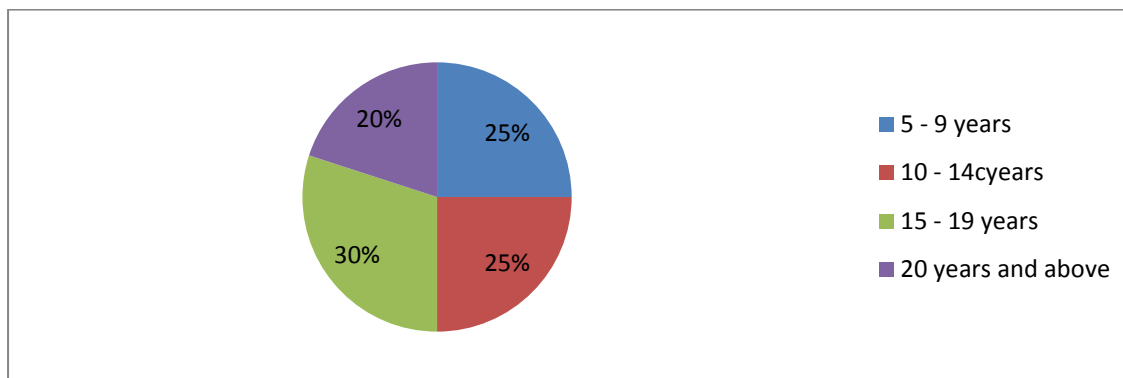


Figure 4.2 shows that 35% of the participants are within the age group of 31-40 years old. The other 35% of the participants are within the age group of 41-50 years old. The remaining 30% of the participants are within the age group of 51-60 years old. The age distribution also reflects the wealth of experience of the majority of the participants. The result shows a fair distribution of age amongst the participants.

Figure 4.3: Participants' work experience



Statistics depicted in Figure 4.3 shows that 30% of the participants have banking work experience that ranges from 15-19 years respectively. The results also show that 25% of the participants have work experience that ranges from 10-14 years. The other 25% of the participants have banking work experience that ranges between 5-9 years respectively. The remaining 20% of the participants have worked for the Namibian bank for 20 years or more. As with the age distribution, this information confirms that 15 of the participant have much experience at management level.

In the next section follows a comprehensive discussion of the themes, sub-themes and categories, which emerged in this study, substantiated by direct quotes from the transcriptions of the interviews, subjected to a literature control to confirm or reject the findings in this study.

4.3 DISCUSSION OF RESEARCH FINDINGS

The purpose of the analysis of the collected data was to document participants' views on the challenges of recruitment and retention of skilled employees at the Namibian bank and their recommendations to determine the need for further action. As documented in Chapter 3, Section 3.6.6, in this process, the researcher used the NVivo software package and Yin's

five steps of data analysis. Table 4.1 provides an overview of the themes, sub-themes and categories, which emerged through the data analysis.

Table 4.1 Themes, sub-themes and categories identified

THEMES	SUB-THEMES	CATEGORIES
<p>Theme 1: Bank employees' opinions of the bank's recruitment strategies related to skilled staff.</p>	<p>1.1 Recruitment strategies used by the bank. 1.2 Effectiveness of the recruitment strategies used. 1.3 The influence of bank structures on the recruitment of skilled staff. 1.4 Challenges that the bank experience in the recruitment of skilled staff. 1.5 Possible solutions for challenges the bank experience in the recruitment of skilled staff.</p>	
<p>Theme 2: Bank employees' opinions of the bank's retention strategies related to skilled staff.</p>	<p>2.1 Retention strategies used by the bank. 2.2 Effectiveness of the retention strategies used. 2.3 The influence of bank structures on the retention of skilled staff. 2.4 Challenges that the bank experience in the recruitment of skilled staff. 2.5 Possible solutions for challenges the bank experience in the recruitment of skilled staff.</p>	

THEMES	SUB-THEMES	CATEGORIES
<p>Theme 3: Bank employees' opinions of the staff turnover of skilled staff at the bank.</p>	<p>3.1 The realities of the staff turnover of skilled employees.</p> <p>3.2 The influence of bank structures on the turnover of skilled staff.</p> <p>3.3 Challenges that the bank experience because of the turnover of skilled staff.</p> <p>3.4 Strategies employed by the bank to reduce or prevent the turnover of skilled staff.</p> <p>3.5 Bank employees suggestions to curb the turnover of skilled staff.</p>	<p>3.5.1 Change of the bank structure.</p> <p>3.5.2 The implementation of training and development programmes.</p> <p>3.5.3 Demonstrating appreciation for staff by showing recognition, better salaries and incentives.</p>

In the discussions of the research findings, the researcher first stated the theme and sub-themes as emerged; followed by an individual presentation of the sub-themes, starting with the conclusion reached by the participants, substantiated with direct quotes or excerpts from the transcriptions. The literature does not focus on individual aspects as it emerged in the sub-themes, but discusses or unpacks these components in an integrated manner. Therefore, the literature control is given at the end of the presentation of the conclusions and voices of the participants, in all the sub-themes.

Where, the transcriptions showed that the majority of the participants used the same wording or phrases to voice their opinion, the researcher only cited two or three quotes.

4.4.1 Theme 1: Bank employees' opinions of the bank's recruitment strategies related to skilled staff

The following sub-themes emanated from this theme:

- Sub-theme 1.1: Recruitment strategies used by the bank.
- Sub-theme 1.2: Effectiveness of the recruitment strategies used.
- Sub-theme 1.3: The influence of bank structures on the recruitment of skilled staff.
- Sub-theme 1.4: Challenges that the bank experience in the recruitment of skilled staff.
- Sub-theme 1.5: Possible solutions for challenges the bank experience in the recruitment of skilled staff.

The findings related to the different sub-themes on the opinions of the participants about the Bank's recruitment strategies for skilled employees, follow in the discussions below.

4.4.1.1 Sub-theme 1.1: Recruitment strategies used by the bank

In order to understand how the Namibian bank recruits its skilled employees, participants were asked about the current recruitment methods that the Bank embarks on. All the participants agreed that the Bank uses two recruitment methods, namely recruiting suitable staff from internal employees and external advertisements. The majority of the participants agreed that both strategies are used simultaneously, but the rest of the participants had a different view. The following excerpts from the transcriptions affirm the view that the Bank uses both recruitment strategies simultaneously:

“The Bank advertises internally and externally when a vacancy arises”.

“We advertise internally as well as externally...”

The following excerpts supports the view that the positions are first advertised within the Bank and then externally; or that the way of advertisement is determined by the Department of Human Resources or manager of a department:

“... it is advertised internally first and after that it normally take two weeks for an advert to run. ... If you cannot find a person internally the advert goes out into the newspapers.

“If a vacancy exists, the Human Resources Department advertises the position first internally. If the Bank cannot find someone internally, then the position is advertised externally”.

“The Bank advertises internally and externally when a vacancy arises. Sometimes the Bank advertises internally only”.

“HR decides on which positions should be advertised internally or externally”.

“HR advertises all junior positions internally and all senior and highly specialised positions externally”.

“The current recruitment process starts if there are vacancies. If there is a vacancy, they will first advertise it internally”

“... when I, ... depending on the skill that I require and whether that skill is available within the bank and the level of the position I would indicate to HR whether I want it externally or internally (advertised).

“So any position is advertised internally and then sometimes simultaneously externally depending of what the job function is and if there are internal candidates or not.”

Participants also reiterated that some advertisements are being done by the third parties. In this regard, the third parties are the Namibian Bureau and the Ministry of Labour. The Namibian Bureau is the platform where suitably qualified candidates can submit hard copies

of their curriculum vitae so that the human resource managers from the Namibian bank can collect them. This finding is confirmed by the following narratives from the interviews:

“...has a new legislation that was passed in 2015 which requires all registered companies in Namibia to forward their advertisements to the Ministry. The name of the legislation is the Employment Act. The move is an effort to monitor the recruitment process and to reduce unemployment rate in the country through transparent ways.”

“Through the use of social media and other recruitment methods, the chances are that the Bank will attract a wider pool of candidates to choose from”.

The issue of whether or not to recruit internally or externally attracted attention as participants pointed out that managers would use their powers to request the human resources department to advertise the job internally due to many reasons even if it would contravene the law. The skills required and position to be filled can force the managers to go out of the organisation, as they know that their internal candidates have no required skills for that position. The following narrative confirms these findings:

“Unless they have already categorised the position as more specialised and they know that they will not find talent within the company, then they will recruit outside,”

“But after first advertising inside then they will advertise outside through media and then follow the rest of the recruitment process through”

Participants indicated that Namibia lacks some of the critical skills, which leads to recruiting employees beyond the national borders for expatriates who might have the required knowledge and expertise. In this case, advertising the vacant positions would be done concurrently or separately. When a position is advertised concurrently, the understanding is that the job can be advertised both internally and externally, and the potential employees can compete fairly. Advertising separately means that the first preference is given to the internal employees first and because of reasons referred to earlier; the advertisement can be put to the public to apply.

“So it is difficult to find the correct people that suit the skills that we need here,”

“They are indeed few in the Namibian banking industry”

“...a limited pool in Namibia and when it comes to highly skilled and specialised then it is the pool and one needs to know who is in that limited pool...”

Participants indicated that the managers can hasten the recruitment process as they give about one week for internal staff to respond to the advert before it is made public. It was justified that the Bank opts to recruit first from inside because the internal staff has knowledge and experience about the organisation’s culture, general contact, rules and regulations, pressing goals, processes among others which the newly recruited employees must be given ample time to be oriented, adjust and adapt to. Depending on the advertisement format and procedure that has been done, shortlisted candidates are contacted for the interviews.

In addition to the above, the participants also cited that due to the limited pool of skilled employees within the Namibian banking industry, the Bank strives in most instances to recruit internally as the internal employees most of the time possess the required skills. The participants further indicated that in order to develop capacity in house, the employees usually train each other on the job and this has greatly assisted the Namibian bank to develop their employees and enhance the required skills set.

The challenge cited by the employees in this regard is that once the Namibian bank has improved the skills of their employees to a required level, the other banks usually poach their employees, resulting in the Namibian bank constantly having to advertise for new positions, which in their view is a costly and time consuming process.

4.4.1.2 Sub-theme 1.2: Effectiveness of the recruitment strategies used

The effectiveness of the recruitment strategies used by the Namibia bank was also raised with mixed feelings coming out. A few participants were of the view that the Namibian bank’s current recruitment methods are to some extent effective. The majority of the participants agreed that the current recruitment strategies are not effective.

Participants, who believed that the recruitment strategies are to some extent effective, expressed themselves as follows:

“Yes, I would say it is effective”.

“Yes, the methods are effective, but definitely there is a lot of room for improvement for the Bank to explore other new recruitment methods, because we have been recruiting this way for years now”.

“To some degree yes, but certainly the Bank needs to look at the new recruitment trends, as things have changed now”.

In addition to the above, the majority of the participants agreed that current recruitment is not efficient. The manual process is very subjective and prone to human errors thus resulting in the possibility of suitable candidates being missed. The manual process has no traceability of all hard copy applications received especially when dropped at the main entrance and hence a challenge in having some applications misplaced or not ever reaching the Human Resources Department as a result of that. Some applications might have been dropped directly at the Banks' premises while some at the Ministry of Labour or Namibian Bureau. All of them then have to be collected and sorted. This delays the operations of the organisation as the vacant post takes long to be filled which means that some decisions can be suspended because the responsible person to authorise the decision is not available. Many of the participants pointed out that the recruitment processes through the use of the indicated platforms posed an administrative burden to the process. It is time consuming and tedious process, because all the received curriculum vitae have to be considered, and the selection and categorising processes are done manually. Had it been that the e-recruitment system is in place, the process would be fast and the vacant positions would be quickly filled. From the participants' standpoint, the e-recruitment system would help in sorting the curriculum vitae in a short time before the potential employees are contacted for interviews.

The following narrations confirm the finding that the current recruitment strategy used is not effective and should be revisited:

“...that sometimes the advert can go out internally and its time can lapse out without anyone responding to it...”

“I do not think it is always effective,”

“Through the newspapers no”

“It is a lengthy exercise, because you must screen all the applications that you receive”

“I would say it is not effective, maybe for the internal one that is fine, but the external one”

“So it is difficult to find the correct people that suit the skills that we need here,”

Some participants echoed their views that the current recruitment strategies used by the Namibian bank are traditional and conservative and hence the Bank needs to adjust to the current recruitment methods most especially the social media recruitment strategies. The participants indicated that the majority of the target market or audiences are using social media even for reading daily newspapers.

“I think just to advertise in the newspapers, not everyone reads the newspaper. These days’ people are more on social media. So I think that the bank does have a website and a Facebook page so I feel that they can actually advertise it there as well”

“... through the newspapers no.”

4.4.1.3 Sub-theme 1.3: The influence of bank structures on the recruitment of skilled staff

The participants agreed that the Bank’s remuneration and structures have a negative influence on the recruitment of skilled employees. They are of the opinion that the structure is not lucrative as to attract skilled employees. The participants further said that the structure is very rigid and as such, it hinders the communication between the normal employees and the top management. These challenges contribute to employees being unhappy and thus seeking for greener pastures with more favourable working conditions.

The following excerpts are examples, which support this conclusion.

“... the staff turnover at this bank is quite high, but I think mostly it is because of salaries, people are moving, because at our organisation’s people feel that we do not pay them what they are actually worth,..”

“The reason for that decline is that if you give that person what they are now getting in say for instance, at another bank then that person might earn more salary than his supervisor. So most of the time it is about the salaries in this organisation that people are just moving away.”

“There are really too much issues here and especially with the new system that we are on. I know for the last two years, people left because of that as well, they could not take the stress on anymore. Growth opportunities are a huge problem here.”

“Mostly it is about money. Some here and there it is about the managers that they might probably not see eye to eye or disagreements, but mostly it is about money.”

“... if you can make their workplace a bit better or make them happy then you get excellent productivity and service as well.”

“The other thing is, you know, also growth opportunities, just to say, specifically in our environment both my senior and my executives we are in the same age group, you understand, so for me personally there is no way that I would be able to move up unless one of them leaves and what is the possibility that they will leave, it is very small.”

4.4.1.4 Sub-theme 1.4: Challenges that the bank experiences in the recruitment of skilled staff

The participants agreed that there are several challenges that contribute to the Bank’s difficulty to recruited skilled staff. These are the reality only a few candidates are suitably skilled, the remuneration packages are less attractive and there is no retention strategy in place. The following excerpts from the interviews are evidence of this

“...once a person comes in with a degree or he is an experienced person from another bank you will have to buy him over...”

“There are few people with experience on banking systems in the market,”

“...we have a recruitment challenge currently in terms of getting the skills because we do not have the other measures in place in order to keep our people,”

“...skills are limited in the market so for specialised areas within the Bank the challenges are in finding those skilled employees. So that in itself remains a challenge...”

“There are limited skills in certain areas within our department like compliance and corporate lawyers, which are much specialised especially in information and financial services industry”.

4.4.1.5 Sub-theme 1.5: Possible solutions for challenges the bank experiences in the recruitment of skilled staff

Participants suggested that moving away from newspaper advertisements, using the social media, the bank’s website and E-recruitment as solutions for the challenges faced. This is confirmed by the following narratives:

“E-recruitment system that would make it much easier”

“So I think that the bank does have a website and a Facebook page so I feel that they can actually advertise it there as well”.

One participant suggested that the bank should set up its training academy in order to train employees who are relevant to its environment and avoid having to rely on the market that is in short supply. The response below confirms this.

“...come up with an academy really whereby we can train our own staff and make them our own and through that maybe the employees will see the value that the company is adding within the other lives.”

The literature reviewed supported this method of recruitment given the various advantages that come with that. Shafique (2012) also notes that recruiting from outside the organisation has several advantages to organisations. He argues that when an organisation recruits externally, it opens the organisation up to a larger pool of applicants, which increases its chance of finding the right person for the job. He further states that external recruitment

provides an opportunity for a fresh outlook on the industry that an organisation may need to stay competitive. When an organisation recruits from outside, it allows an organisation to target the key players that may make its competition successful. Furthermore, recruiting from outside can also help motivate the current employees to produce and achieve more in the hope of obtaining the next promotional opportunity.

Onah and Anikwe (2016) concludes that recruiting from outside promotes competitiveness within an organisation. Hiring a candidate with a proven track record for the competition allows the organisation to get an insider's view as to what the competition is doing to be successful. Given the competitive nature in which the Namibian bank operates, it is vital for the Bank to recruit from both internally and externally. However, it is crucial that the Namibian bank clearly outlines the process to be followed as to when and how the internal and external recruitments should be effected. Once the guidelines are clearly documented and shared with all parties involved in the recruitment process at the Namibian bank, the current inconsistencies with regard to recruiting from internally and externally will be eliminated.

Grobler *et al.* (2012) claims that before an organisation embarks upon a recruitment drive, it is important to first exhaust the available talent within the organisation. In their argument, they say that organisations need to consider transfers of employees from one division or branch to another before initiating an external recruitment process. Kumar (2012) explains in detail on the various sources of external recruitment that organisations should utilise which amongst others entails employment agencies, walk-ins, referrals, professional bodies, headhunting, educational institutions, consultants and agents. These sources are in congruence with Shafique's (2012) views that print and electronic advertisements which include newspaper and electronic media, special event recruiting which entail roadshows, university employment and recruitment fairs, vacation work where students do temporary work during school vacations

4.4.2 Theme 2: Bank employees' opinions of the bank's retention strategies related to skilled staff

Under this theme, the following sub-themes were identified:

Sub-theme 1.1: Recruitment strategies used by the bank.

Sub-theme 1.2: Effectiveness of the recruitment strategies used.

- Sub-theme 1.3: The influence of bank structures on the recruitment of skilled staff.
- Sub-theme 1.4: Challenges that the bank experience in the recruitment of skilled staff.
- Sub-theme 1.5: Possible solutions for challenges the bank experience in the recruitment of skilled staff.

Next follows a discussion of the findings from these sub-themes.

4.4.2.1 Sub-theme 2.1: Retention strategies used by the Bank

Some participants were of the opinion that the Namibian bank does nothing to retain its skilled employees and it appears that there are levels of employees that the Bank tries to retain while it does not do anything to retain the other employees. The narratives below provide confirmation for these findings:

“There are no formal retention strategies at the Bank.”

“So for me there is no retention process and to keep staff in our business unit is just non-existent. I do not know of any retention strategy. There is nothing.”

“... there is no retention process as to keep skilled staff.”

“We do not have a formal retention program. We realise that it is something that we have to work on to get something proper in place. It also depends on the skill and the level of the person.”

“At this point in time I have not seen any retention strategies within the Bank, so I will not comment on that one”

“But at this stage we do not have retention in place, so from the organisation’s side, I mean nothing has been done”

“... at the moment there is not much that the Bank does to retain its skilled employees”.

“The Bank provides a counter offer when an employee wants to leave the Bank”.

However, other participants considered the benefits and incentives such as medical aid facilities, funeral covers, being given preference for loans, performance bonuses and training opportunities as ways to persuade skilled employees to stay at the Namibian bank. The following narratives confirmed this finding:

“Like I said the Bank only has certain benefits that they give to the employees like the funeral plan which is really nice and the performance bonuses and so that is what they have as well”.

“Currently they provide funeral cover for people working at the Bank which is very good”.

“Currently we make use of study loans in the Bank”

“... They send out a calendar to the whole business and say listen, there is the training courses which come up for 2016 and you as line manager have, you know, you feel there is certain need in the areas of your business and of your department ... for example Excel courses, teller training...”

“So for instance you are offered fifty thousand (N\$50 000-00) per month and with that your medical, your pension, you can structure housing allowance or car allowance if you have a car,”

4.4.2.2 Sub-theme 2.2: Effectiveness of the retention strategies used

The effectiveness of the retention strategies used emerged as a significant sub-theme in this study and most of the participants continued to suggest that the Namibian bank does not have any strategies for retaining skilled employees. However, a few indicated that the Namibian bank has managed to put measures in place to try and maintain low staff turnover. The discussion of the effectiveness of the retention strategies is therefore limited to the views of a few participants who mentioned efforts by the Namibian bank to improve retention.

Participants indicated that despite the efforts by the organisation to retain skilled employees, they still leave when they are offered better rewards somewhere. They also indicated that some employees who feel unhappy at the Namibian bank also leave the Bank whenever

they want to. The following quotations from interviews with participants support these findings:

“Mostly because they got a better offer or they are unhappy”

“I can maybe say in terms of effectiveness maybe it is because we do not have a retention strategy that we sort of lose very important skills to competition.”

“There are a lot of people leaving the Bank and there are no retention strategies in place.”

4.4.2.3 Sub-theme 2.3: The influence of bank structures on the retention of skilled staff

There were various structures within the Namibian bank, which the participants thought influence the retention of skilled employees. The remuneration structure was popular with participants constantly mentioning that skilled employees were inclined to leave the Namibian bank when they are offered better salaries elsewhere. Participants indicated that the salaries at the Namibian bank do not match those offered to employees at the same levels at other banks and the Namibian bank is unable to counter the offers in order to persuade employees to stay. Although the Namibian bank has a culture that promotes employee retention, the lack of progression opportunities within the Bank means that junior employees, who have the ambitions to progress are left with no option, but to seek other growth opportunities elsewhere. The following narratives confirm this finding:

“In terms of retention, it is currently difficult for the Bank to offer counter offers or packages that match the employees’ offers given by the competitors.”

“The culture at the Bank I will say is very good, very positive, people are like a family here and that’s why some people rather prefer to stay on at the Bank because of that.

“Secondly, people here do not want to study further and those specific ones in high positions do not move and that makes it difficult for the new qualified and talented employees to stay longer at the Bank because there are limited growth opportunities.”

Some of the benefits offered by the Bank are also said to influence employees to leave the Namibian bank while other benefits encourage employees to stay. It was stated that the medical aid scheme is expensive and does not last long, leading employees to significantly supplement their medical expenses during the year. This means that the employees are likely to leave the Namibian bank when they anticipate better valued benefits elsewhere. On the contrary, other benefits such as the housing and car allowances are good enough and promote retention.

“As I have said before, the Bank’s structure needs to be reviewed and in the branch environment create a position for the business banker that will create room for growth internally and thus contribute to employee retention at the Bank”.

4.4.2.4 Sub-theme 2.4: Challenges that the bank experience in the retention of skilled staff

Challenges that the Namibian bank experience in the retention of skilled employees was one of the sub-themes that emerged from the study and the findings suggest that the Namibian bank experiences challenges in the retention of the skilled employees. It was indicated that there is shortage of skilled employees within the market and employers compete for skilled employees. The issue of employees being offered better salaries by other employers was one of the challenges that participants mentioned. They further indicated that the Bank is usually not in a position to offer the employees better packages to counter the offers given by competitors.

Retaining employees also requires the Namibian bank’s ability to meet the expectations of the employees it recruits. Participants were of the view that the Namibian bank is unable to meet the needs of skilled employees who join. As a result, these employees do not stay long. The following narratives confirm these findings:

“...to me there are many challenges faced by the organisation within our environment when it comes to retaining skilled employees”

“...most people leave the Bank because they are offered good salaries as the market is fighting for the few skilled employees in the banking industry”

“I mean people are ambitious and specifically these skilled people coming over, they are wanted in the market so you must really look after them financially, socially, in all aspects I will say”.

“I would think about low salaries in some sections as negative factor to retention.”

“People are being bought at unbelievable salaries, they are getting offers like you cannot believe and you know times are not easy at the moment”

“We can unfortunately not match the offers our employees are given by the other banks.”

“Our people get poached by other banks.”

“The problem I can think of is that of losing people in key positions.”

4.4.2.5 Sub-theme 2.5: Possible solutions for challenges the bank experiences in retention of skilled staff

The sub-theme possible solutions for challenges the Bank experience in retention of skilled employees was identified and the suggested solutions are discussed in this section. With the view that the remuneration packages were indicated to be one of the major challenges for both recruitment and retention, it was recommended that the Namibian bank should improve its remuneration so that it offers market related salaries. This in turn, would ensure that its skilled employees would not be poached by other banks as is with the current situation.

The Namibian bank can also address the challenges in the retention of skilled employees by promoting internal recruitment, which gives employees within the Namibian bank growth opportunities. This can be supported by the implementation of formal training programmes that equip employees with skills to take up key positions within the Namibian bank. Moreover, the Namibian bank has to ensure that its environment is favourable for employees to work in, where employees are adequately empowered.

“The Bank should improve its remuneration system and empower employees so that they feel responsible.”

“Give the employees the salaries that they deserve according to their jobs that they are doing”

“Retention of skilled employees should not only be for specific people or Departments but should be applied across the board.”

“Create a good working environment”

“Well retaining employees has a lot to do with demonstrating a tangible employee value proposition”.

“It also depends on the skill and the level of the person. Obviously you will look at it, if it is a scarce skill you cannot let the person go so you have discussions to find out what is the real reason and then work around that.”

Further solutions to the challenges facing the Namibian bank include improving communication between management and employees to facilitate the flow of information within the organisation. Talent management is also another solution that was raised and the Namibian bank would be able to effectively place its employees through the proper implementation of talent management. It also leads to effective training of employees which ensure that trained employees are effectively placed so that they can transfer their training to their work stations.

“I will recommend that the barriers between Management and junior employees are cut and encourage open communication between these two levels.”

“I think the one thing that is missing and which can make it even more effective is if you train your staff properly”.

“...proper talent management, proper retention strategies”

The Namibian bank's recruitment policy in place was last reviewed in August 2014. The said Policy focuses on enhancing sustainable human resources that is capable of delivering business objectives. It sets a holistic framework for recruiting and developing existing and new employees. The review of the Recruitment Policy revealed that the policy document is not comprehensive enough and most especially on the aspect of when the Namibian bank should advertise internally or externally.

The study also found out that the Namibian bank has a very reactive approach when it comes to the retention of its skilled employees. This is not consistent with the literature reviewed, in that Mueller (2012) asserts that, in order to understand how to attract and retain good employees, organisations first need to know what the best employees requires. Mueller indicates the following as key aspects for consideration for organisations to ensure the effectiveness of their retention strategies:

- **Career development** - Career development opportunities and a chance to grow in their chosen field;
- **Regular feedback** - Regular feedback on how they and the organisation are doing;
- **Contribution** - A chance to contribute directly to the organisation and be recognised for doing so;
- **Flexible work** - Flexible work schedules that recognise their need for work/life balance;
- **Earnings** - A good salary and an opportunity to increase it over time; and
- **Fringe benefits** - Benefits tailored to their individual needs.

The literature reviewed emphasised the importance of organisations to adopt multi-disciplinary approach in the recruitment and retention of skilled employees (Allen, 2013). Setia and Singh (2014) postulate that good retention starts from the time you hire employees to the time they leave an organisation. These authors further cite several retention strategies that organisations should embark upon when recruiting and retaining skilled employees:

4.4.3 Theme 3: Bank employees' opinions of the staff turnover of skilled staff at the bank

The last major theme that emerged from this study is the Namibian bank employees' opinions of the turnover of skilled employees. The sub-themes within this theme are the realities of the staff turnover of skilled employees, the influence of Bank structures on the

turnover of skilled employees, challenges that the Bank experience because of the turnover of skilled staff, strategies employed by the Bank to reduce or prevent the turnover of skilled employees, and the Bank employees' suggestions to curb the turnover of skilled employees.

When the participants were asked about what the Bank does in order to address staff turnover challenges, some were of the view that the Namibian bank was giving counter offers to the employees, whilst others cited teambuilding activities that were introduced by the Namibian bank.

Seven of the participants interviewed were of the opinion that the Bank should address the staff turnover problem through lucrative reward schemes. However, the participants indicated that the Namibian banks' reward schemes are vague. The other participants however expressed their views as follows:

"The Bank should look at the total cost to company structure because it is not fair for the employees. The other important issue for the Bank to look at is the current benefits of the employees".

"The Department develop employees and rotates them to other departments within the Bank".

Other participants cited communication as an area where the Bank needs to pay attention. The participants were of the view that the Namibian bank should improve on communication, especially when new processes have been introduced. Other propositions advanced by the employees were lack of support from the Executive Management team, Managing Director or the Board. The participants were of the view that at the moment there is a huge gap between the Executive Management and the Senior Management team. The participants emphasised the importance of more synergy between the two teams.

Two participants also had the following views:

"The Executive Management is not visible and there is no communication from top management to employees.

“The Bank is trying hard to address the turnover challenges but it is very difficult at the moment due to the demand and supply factor of skilled employees in the market”.

The majority (70%) of the participants indicated that there is high turnover at the Namibian bank. The aforesaid is corroborated by the high turnover statistics of the Namibian bank in comparison to the industry turnover statistics as per the reports received from the Bank of Namibia. Some of the views advanced by the participants interviewed are summarised below:

“Yes it is a big problem, particularly of skilled workers”.

“Yes it is a very serious problem at the Bank; management should do something about it”.

“Yes, it is a problem and this can be confirmed by the high number of resignations at the Bank”.

“Yes, there is a big problem at the Bank. The employees are leaving and the staff turnover rate at the Bank is very scary”.

“Yes, it is problem but it worsened over the past seven months since the new system was implemented”.

“I am sorry to say, but the turnover at the Bank is very high. Every week there are more than 10 vacancies at the Bank”.

“The turnover across the Bank is very high. People in the Bank come and go for all the wrong reasons”.

“It is a big problem. A lot of people are leaving the Bank, every day you see there is new vacancies open”.

“The turnover at the Bank is very high. The Bank recruits new employees whilst others are leaving. Every day there are many vacancies coming up and it is just replacement positions. It is not new position created”.

It is further worth noting that besides that, the majority (70%) of the participants said that there is a high turnover at the Bank, and six of the participants had different views on the staff turnover at the Namibian bank. The six participants stated that there is no staff turnover at the Bank and some indicate that the turnover is not a problem at all with others suggesting that the turnover is relatively low. A summary of the said participants' views are summarised below:

“At this stage, it is not a problem at all”.

“No, it is not a problem. The staff turnover in the retail space is very low at the moment”.

“Not in my Department, I cannot speak about the other departments or the whole Bank. The turnover is very low in my Department”.

“The Bank, specifically the Department did not encounter any turnover, but rather the Department has grown exponentially”.

“I have expected a much higher turnover due to the new system, but it is rather low”.

What could be deduced from the various views expressed by the participants interviewed is that there is differing opinions on the turnover challenges at the Namibian bank. Some participants regarded the turnover at the Bank as high while others indicated that there is no high turnover at the Bank. Given the various categories interviewed, the majority of the functional and branch managers regarded the turnover at the Bank while the Human Resources Managers and the Senior Executive team viewed the turnover as low.

4.4.3.1 Sub-theme 3.1: The realities of the staff turnover of skilled employees

The staff turnover of skilled employees was another key issue raised by the participants and they indicated that turnover is a cost because the new employees that are recruited to fill in the vacant positions require training. It was also discovered that the turnover of skilled employees is high at the Namibian bank. Some of the causes were also indicated, with delayed salary adjustment, relationship with colleagues or line managers and the implementation of a new system cited as causes. Additionally, participants suggested that turnover is also caused by the fact that people who are offered better salaries somewhere

are inclined to leave the Bank and the Namibian bank would have to replace them. In terms of the impact of turnover of skilled employees at the Namibian bank, it was mentioned that it negatively affects the reputation of the Namibian bank. Some quotations confirming these findings are indicated below:

“I would say yes it is high”

“We had a lot of turnover”.

“Salary increases that have not been finalised”

“...So what I experienced is that people leave because of other people. If I do not get along with my colleagues or my manager, then it is better to rather leave the company”

“Well one of the reasons is the manager. That is often the case.”

“...some are just frustrated by their managers...”

“The new system has also caused a lot of frustration to the employees and that has contributed greatly to the high staff turnover at the Bank”

“People leave the Bank because they are offered good salaries as the market is fighting for the few skilled employees in the banking industry,”

“The current high staff turnover, because it poses a reputational risk for the Bank”.

It is also believed that employees leave the Namibian bank in search of greener pastures. What will actually transpire on such circumstances is employees will follow a trend of looking for better offers that matches up with the type of positions that they occupy. Conspicuously, employees will compare what they earn against what is on offer on the new position. In this view, participants indicated that employees will not hesitate to take new offers when they present them with better benefits than their current positions. One participant was quoted as saying:

“...Perhaps better opportunity in terms of monetary reward or any other opportunities that other banks might provide which the Bank is currently probably not providing.”

Participants indicated that banks within Namibia compete for skills on the job market by offering better salaries hence raiding other banks of their skilled employees. One participant cited that:

“The salary is the biggest challenge at the Namibian bank, our salaries are very low and our competitors take our employees with relative ease because of that.”

Another participant also pointed that:

“People are really not happy with the current packages most especially knowing what the other banks are paying for the same positions. What we offer is way below what other banks or other companies offer, so if we can look at giving a market-related salary then obviously we retain our employees.”

Other participants also advanced that employees leave the Namibian bank because of they want to upgrade themselves for personal growth. Sometimes it is never about the money, but people would like to only occupy strategic senior positions in an organisation which will enhance their work experience at the same time such a post will offer better job security. This is confirmed by the views expressed by one participant as stated below:

“The other thing is, you know, also growth opportunities, just to say, specifically in our environment both my senior and my executives we are in the same age group, you understand, so for me personally there is no way that I would be able to move up unless one of them leaves and what is the possibility that they will leave, it is very small.”

4.4.3.2 Sub-theme 3.2: The influence of Bank structures on the turnover of skilled staff

The influence of the Bank structures on the turnover of skilled employees at the Namibian Bank also formed part of the sub-themes under the theme “Bank employees’ opinions of the staff turnover of skilled staff at the Namibian Bank”. As indicated earlier, the salary structures at the Bank contributes much to the Bank’s turnover of skilled employees because

employees leave the Bank when they are given better salaries elsewhere. While the Bank sometimes attempts to counter the offers given by competitors, it is usually unable to meet or exceed these offers. The Bank also only tries to retain employees in specific sections while letting others go. Some participants, however, were of the view that poor communication within the Namibian Bank contributes to turnover as well. The following narratives confirm these findings:

“Across the Bank, I will say the staff turnover is high, because the recent resignations that were there, is the guys that came in last that is now going out first as well,”

“I think there is a lot of things that happen within the Bank that relates to changes, be it incremental or radical changes, you know, in terms of strategy or so forth and I do not think those changes are managed correctly within this Bank. ... Changes are being done without proper communication.”

4.4.3.3 Sub-theme 3.3: Challenges that the Bank experiences because of the turnover of skilled employees

The challenges the Namibian bank faces because of the turnover of skilled employees include losing resources in training, increased skills shortages, and loss of respect from the market. The Namibian bank also loses the skills when employees leave the Namibian bank. The Namibian bank also has to invest more funds in training new employees every time there are new recruits. It was indicated that managers sometimes fail to meet deadlines because of employee turnover. Further, participants indicated that turnover costs the Namibian bank through recruitment. The following response confirm this:

“There is also an issue of recruiting which is a costly exercise on its own”.

“you will be just recruiting every time and struggle to get skilled employees...”

“... because we are losing our employees and it is a reputational risk, because we are in the papers every week. People will want to know what is really going on at that company”

“Most of these are the people who have deadline after deadline and the only time they worry about turnover is when someone leaves and they have to find a replacement.”

Further, participants indicated that the Namibian bank's operations are sometimes slow because of employee turnover, which introduces new team members every time. The aspect of the Namibian bank customers' concern about the reason behind the continuous change of employees was also mentioned. The quotations below confirm these findings:

"It creates gaps and slows down operations. You have to keep on recruiting and training employees. Always have new people on the team."

"Even the clients sometimes ask why people keep on changing."

4.4.3.4 Sub-theme 3.4: Strategies employed by the Bank to reduce or prevent the turnover of skilled staff

In terms of the strategies employed by the Namibian bank to reduce or prevent the turnover of skilled employees at the Namibian bank, participants were of the opinion that the Bank does nothing to prevent employee turnover. Instead, the Namibian bank continues to recruit new employees to fill the gaps created when other employees leave the Bank. In support of this, participants were quoted as saying:

"There are no formal strategies in place that can assist us as managers to address the staff turnover problems at the Bank".

"The staff turnover challenges are addressed by recruiting new employees to fill in the vacant positions."

Another participant also had the following to say with regard to the strategies employed by the Bank to reduce or prevent the turnover of skilled employees:

"I can't really think of any specific one at the moment. I don't think so."

4.4.3.5 Sub-theme 3.5: Bank employees' suggestions to curb the turnover of skilled staff

Bank employees' suggestions to curb the turnover of skilled employees emerged as a sub-theme within the theme Bank employees' opinions of the staff turnover of skilled staff at the

Namibian bank. The suggested interventions included investing in employees with salaries that give skilled employees reason to stay with the Bank, making employees happy and properly training the employees. The following response confirms this:

“In order to prevent staff turnover challenges, try by all means to make your employees happy”.

The interventions suggested were categorised into change of the Namibian bank structure, the implementation of training and development programmes and demonstrating appreciation for employees by showing recognition, better salaries and incentives.

4.4.3.5.1 Category 3.5.1: Change of the bank structure

It was indicated that the Namibian bank has to appreciate changes within the banking industry as well as the changes brought about by economic development. Among other things, the Namibian bank has to adopt latest means of communication with the inclusion of social media in the advertising of its vacant positions. The Namibian bank also needs to change its remuneration structures such that it meets the current market rates. In order for the Namibian bank to remain competitive and to attract the right skilled employees, there is a need for the Bank to review its current remuneration policy and align it to the industry salaries. As long as the Bank’s remuneration structure is perceived to be below the competitors, the Namibian bank will continue to lose its highly skilled employees to other banks as well as the financial institutions that are already fighting for these rare skills and replacing them will continue to pose a challenge to the Bank.

One participant was quoted saying:

“Change is good for the organisation.”

4.4.3.5.2 Category 3.5.2: The implementation of training and development programmes

Participants posited that trainings were of paramount importance for both retaining and recruiting workers, not forgetting enhancing the workers’ skills development. Some participants also indicated that the Namibian bank trains its employees and suggested that

training encourages employees to stay longer within the Bank. However, other participants were of the opinion that training is non-existent at the Bank. This is seemingly so because of the set of convictions which are held by those who occupy top managerial offices, who are trying to get away by doubting the effectiveness of training in delivering its desired objectives.

Training in this study has been positioned as a way that has the ability to attract skilled employees. In as far as training has some budgetary implications to any organisation in the corporate world, it is important to note that in the case of the Namibian bank training is a means to retain skilled employees to the institution, thus reducing the challenge of employee turnover which is reported to be high. Training in this regard is important, as participants acknowledged that such internal interventions are quite helpful even to them as well which will influence them to stay.

This was reflected by one participant as follows:

“Yes. For me it is effective, you know, in terms of study. Everybody must, you know, education is very important for you, for yourself and in your environment that you work.”

Another participant stated that:

“I will say that the internal interventions in form of training I have embarked upon within my space are very effective given the number of skilled people it has released in the market. In terms of the interventions from the Bank side I will not really say they are successful given that the impact is so minimal as a result of restrictions due to the training budget issue.”

Participants mentioned the issues of budgetary constraints which can be attributed to the challenges facing internal training schemes. The observation from the participants' view indicated that the training is not reaping the intended results. Participants further indicated that even though training is being done within the Namibian bank, staff turnover has remained high. Some participants reiterated that there seems to be a relationship between staff turnover and training. This appears to some as a factor that is facilitating staff turnover because after the training, the employees' capabilities and competency on the job market are enhanced.

Another point to note that has been pointed out by the participants is that training is not being done in a formal way. This means that from the way the training is being planned internally, employees have not been allocated adequate attention. Also, to note is the view that some trainings are being done on workshop basis where they are for a few days and when they end, there are no certificates that are given to the participants. Participants felt that the trainings are mainly for spearheading the goals of the organisation as opposed to those of the employees and the Namibian bank. So those who perceive that the trainings are not essential and continue to leave the Namibian bank even though the trainings are being done. The following narratives confirm this:

“... but there is just specialised training we want to attend but due to budget constraints we cannot attend.”

“The Bank should just consider having a formalised or structured training program like an induction in their specific field, as the new employees do not get formal induction when they come in, they just learn from one another.”

The selection of training participants also has been raised as an area of concern. Participants indicated that not all of the employees are benefiting from trainings that take place within the Namibian bank. Managers have the prerogative to select individuals who are perceived to be worth to attend the trainings. This selection approach has been pointed out as an issue again that has led to some employees to leave the Namibian bank as they feel that they are being left out of the programme for personal reasons. Planned and well programmed training and development interventions were therefore recommended. The quotations below support these findings:

“... consider a more structured annual training plan once they have identified the areas where the skills are lacking.”

“There is supposed to be a formal training department and they are speaking about that now for how many years.”

Mostly, those who occupy key positions in the Namibian bank seem to repeatedly attend training and workshops whilst those who are below them are not considered for training.

This creates a noticeable knowledge gap between employees at different levels. Managers' interests, goals and objectives have been identified as the opposite of trainings. One participant had the following to say:

"... through fill in house developed training program such as anti-money laundering trading based on the directives issued by the central bank. The mother bank in South Africa arranges for training programs but there it is just a specialised training that we will want to attend but due to budgetary constraints we cannot attend"

Staff turnover was said to be a challenge that could be addressed as a result of training as employees feel embraced and part of the Namibian bank. The Namibian bank has developed a strategy of annual calendar where different departmental employees are scheduled to undergo some training during a financial year to equip them with various skills. This creates a passion for learning on the part of the employees thus staff turnover is reduced at the Namibian bank. This is confirmed in the following narrations:

"You can actually retain these specialised skills if your education that you give them and your salaries are good. Education, environment and salaries, you have to keep those three together. You cannot think it is not all about money."

"... hence will recommend that training should be give priority because skilled employees will eventually contribute to the overall success of the organisation at the end of the day."

4.4.3.5.3 Category 3.5.3: Demonstrating appreciation for staff by showing recognition, better salaries and incentives

Issues to do with improving salary packages, bonuses, and shareholding were cited by the participants as having the capabilities of enhancing the process of retention and recruitment strategies of skilled employees at the Namibian bank. This is confirmed by the following narrative:

"... if we make further enhancements to our long term incentive plan, our short term incentives, the employee value proposition we can improve that position of retaining and recruiting, but in the end it is a young skilled workforce which is quite dynamic, it is always going to seek new opportunities. So all one can do is for the short time they do stay with the

banking institution that offers the best potential rewards during that period.”

“I would say give the staff better training, growth opportunities and better salaries.”

“so if we can look at giving a market-related salary then obviously we retain our employees.”

“The salary should be market related.”

Shareholding is also another reward system which has been mentioned as an important way of keeping retaining the employees at the organisation. Participants also suggested that similar job grades receive the same salaries and people would leave when they knew that they earned less than the people at the same grade with them. This has been rightfully stated as follows:

“Maybe they should think of rewards like share schemes for non-managerial staff. For managerial staff it was implemented now in April 2016, though it is also just a small percentage, but maybe they can, like ... for instance and the ... and the ..., maybe that will retain staff or other rewards that they can give the staff”.

“But if you compared her salary to what the other people her grade was earning in other departments it was far below than the other people and she got frustrated, she also found herself another job at and she left.”

The findings above are consistent with the literature that is derived from (Pfeifer *et al.*, 2009; Suliman & Obaidli, 2011) who argue that skilled workers from developing countries often demand high salaries which organisations in developed countries are not able to pay. This is further corroborated by Akhigbe (2013) who cites that the reasons why foreign skilled workers are unwilling to extend their contracts are, amongst others, low salaries offered, political instability and security, dual career issues, inability to cope with cultural differences and inability of family to cope with new environments.

Onah and Anikwe (2016) further reason that some contributing factors to high turnover in organisations are the brain drain, gender gap, unattractive salary packages and lack of adequate training and development.

The aforesaid reasons for attribution are in congruence with the reasons given earlier by the participants of the Namibian bank deemed to be contributing to the high turnover challenges

experienced by the Bank. The findings are also validated by the high turnover statistics recorded by the Namibian bank.

4.5 SUMMARY OF THE SIMILARITIES AND DIFFERENCES BETWEEN PARTICIPANTS' CATEGORIES

This section discusses the similarities and differences between the participants groups; branch managers, functional managers, human resources managers and executive management on the main, sub-themes and categories. The various categories of the managers interviewed advanced the same proposition on the first main theme, namely the recruitment strategies related to skilled employees embarked upon by the Namibian bank. All participants echoed the same sentiments pertaining to the recruitment strategies adopted by the Bank for both internal and external recruitments. In addition, the participants all were familiar with the recruitment method used by the Bank, which is the website for internal positions and newspapers for external positions. Only participants from the Human Resources Department were familiar with the third party recruitment methods namely the Namibian Bureau and the Ministry of Labour.

Several sub-themes emerged from the above main theme, which entailed the effectiveness of the recruitment methods. The Functional Managers and Branch Managers deemed the process ineffective, whereas the Human Resources Managers and the Senior Executives were of the view that the current recruitment methods embarked upon by the Bank are effective. In addition, all the various managers across the board with the exception of the Executive Management indicated that the current rigid and bureaucratic structure of the Bank has some influence on the recruitment of skilled employees.

One of the sub-themes that also received a lot of focus was the various challenges that the Namibian bank experiences in the recruitment of skilled employees. All the participants interviewed from the various categories cited two main aspects as the biggest contributors to the challenges experienced by the Bank in terms of recruiting skilled employees being the low salaries offered by the Bank and the limited pool of skilled employees in the Namibian market. In order to address the challenges encountered by the Namibian bank in the recruitment of skilled employees, all participants interviewed recommended that the Namibian Bank should review its current salary structure in order to have more attractive

remuneration packages and incentives. The participants also further suggested that there is a need for the Bank to adopt a proper employee value proposition.

The second main theme that emerged during the study was the Bank's retention strategies related to skilled employees. It is worth noting that all participants in the different categories interviewed pointed out that the Bank does not have any retention strategies in place. They further said that given that the Bank has no retention strategies in place, the retention of skilled employees at the Bank proved to be a huge challenge which impacted on the Bank's ability to retain skilled employees. The current remuneration structure of the Bank also further impacted on the retention of the skilled employees at the Bank as it was deemed not to be market related.

All participants indicated that the Bank's salaries were very low compared to its competitors and this has made it difficult for the Bank to retain employees that were given more lucrative offers by the competitors. In addition, functional managers and the branch managers specifically cited that the current working conditions and poor relationship with line managers posed challenges to the Bank to retain its skilled employees. In an attempt to address the aforesaid challenges, the participants from the various categories interviewed were all of the view that the Bank should review its remuneration structure.

The last main theme that emerged from the research was the staff turnover of skilled staff at the Namibian bank. There were similarities in the opinions advanced by all participants in that the staff turnover at the Namibian bank was deemed to be very high. However, the Human Resources Managers and the Senior Management pointed out that the Bank has put in proper strategies in place and as such does address the prevailing staff turnover challenges at the Namibian bank. The functional managers and branch managers however had different views on this matter. In terms of the one sub-theme that emerged from the main theme cited above, the functional managers and branch managers were of the view that the current bureaucratic structure of the Namibian bank and the lack of communication between employees, management and top management has contributed to the high staff turnover at the Bank. The three categories of managers interviewed with the exception of the Executive Management were of the view that the new core banking system introduced by the Namibian bank in 2015 contributed greatly to the high turnover at the Bank.

All the participants interviewed opined that the current staff turnover affects the operations of the Bank most especially its ability to deliver on its mandate, given that the Bank is constantly losing out on critical skilled employees. Given the limited pool of skilled employees within the Namibian banking industry, the Bank is faced with the challenge of attracting the right skilled employees. Further, the participants also indicated that as a result of the high salaries offered by its competitors, the Bank encountered challenges to address the high staff turnover challenges and as such recommended that there is a pressing need for the Bank to review its remuneration structure and invest in the training and development of its employees. The functional managers and branch managers were also of the view that the Bank should value its employees in all respects given that employees are any organisation's valuable assets.

What could be deduced from the participants' views on the main themes and sub themes is that all the participants interviewed from the various categories shared the same sentiments with the exception of only on the issue of addressing staff over challenges by the Bank and the investment in training that the Human Resources Managers and Senior Management differed with the other two categories of managers. The other aspect where a differing opinion was noted was on the effectiveness of the current recruitments methods, where also the Human Resources Managers and Senior Executive Managers indicated that the current recruitments methods were effective whereas the functional managers and branch managers said the methods were not effective at all. The aforesaid is evident in the views advanced by the different categories of managers within the Namibian bank during the interviews conducted. Other than that, all the participants were in agreement on most of the main themes and sub-themes that emerged from the study.

4.6 CHAPTER SUMMARY

This chapter dealt with the presentation of the findings from the interviews conducted with the participants who constituted the managers in different categories at the Namibian bank. The findings revealed three (3) main themes, fifteen (15) sub-themes and three (3) categories. Overall, the findings show that the Namibian bank faces challenges in the recruitment and retention of skilled employees, which leads to high staff turnover. Several strategies towards improvement of the situation were suggested; they include training employees, changing the remuneration structure and provide growth opportunities for the employees.

The next and last chapter focus on the conclusions drawn from this study, recommendations and suggestions for improvement.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter 1 provided a general background of the Namibian banking industry and the Namibian bank. An overview of the study that encompassed the theoretical framework on the challenges of recruitment and retention was also discussed in Chapter 1. The background of the study, the rationale for the study, the research problem, research questions and research objectives were also covered in Chapter 1. The chapter also discussed the research design and methodology, definition of key terms, significance of the study, limitations and delimitations of the study. Finally, the researcher briefly discussed the ethical considerations, the layout of the ensuing chapters and concluded Chapter 1 with a brief summary.

The second chapter provided a comprehensive review of core theoretical foundations, concepts, characteristics and approaches which were fundamental to understanding the challenges of recruitment and retention of skilled employees in organisations. Previous research studies that focused on talent management, recruitment and retention of skilled employees were also discussed in Chapter 2.

The third chapter discussed the research design, population of the study and sampling techniques. The chapter also covered methods of data collection that included face-to-face individual interviews. Data analysis techniques and ethical considerations were also discussed in Chapter 3.

The previous chapter focused on the presentation, interpretation and discussion of the primary data, substantiated with direct quotes from the transcribed interviews and the findings were subjected to a literature control. The latter supported the research findings.

This chapter presents the, conclusion and recommendations and draws conclusions based on the significant findings that emerged in this study. The purpose of this study was to establish the participants` views on the challenges of recruitment and retention of skilled employees at a Namibian bank. The recommendations make suggestions for further research with added variables that are not covered in this study.

5.2 RESEARCH QUESTIONS

The main research question that sought answers in this study was as follows:

- What are the challenges of the recruitment and retention of skilled employees at a Namibian bank?

The secondary research questions were as follow:

- What challenges are experienced in the recruitment of skilled employees at a Namibian bank?
- What challenges are experienced in the retention of skilled employees at a Namibian bank?
- How can these challenges be addressed?

This main objective and secondary objectives were met and are demonstrated in the next presentation of a summary of the research findings.

5.3 SUMMARY OF THE FINDINGS OF THE STUDY

The research objectives of this study were to explore and describe the recruitment and retention challenges of skilled employees at a Namibian bank. The findings of the study were used as the basis for suggestions/recommendations to the Namibian bank to address the challenges of recruitment and retention of skilled employees. The key findings of the study are summarised below which informed the recommendations made from the study. This section discusses the findings under the following three headings: recruitment, retention and turnover challenges at the Namibian bank.

5.3.1 Recruitment challenges at the Namibian bank

The findings of the study revealed that the Namibian bank experienced challenges with the recruitment of its skilled employees. The major challenges highlighted by the participants on the issue of recruitment at the Namibian bank entailed the recruitment process itself that is not consistent in the absence of a clearly documented recruitment policy. The participants indicated that the Namibian bank advertises internally and externally when a vacancy arises. Sometimes the Namibian bank advertises internally only. The Namibian bank advertises all positions both internally and externally at times. What emerged in this context is that the

Namibian bank does not have a clear policy that should be followed when recruiting employees. The situation complicates the recruitment process at the Namibian bank. It is not clear in the participants' opinion how such a process should be at the Namibian bank, in view of the inconsistent recruitment methods adopted by the Namibian bank without clear guidelines.

The participants recommend promotion as a way of internal recruitment process where employees are upgraded to fill in the gap that exists in the organisation. It is, therefore, vital for an organisation to develop and maintain an effective internal talent database from which to source talent internally. In the event that there are no suitably qualified employees internally, then the organisation should recruit from outside. Recruiting from externally also has advantages for the Namibian bank and hence the recruitment method cannot be discarded.

With regard to the effectiveness of the Namibian bank recruitment strategies, the findings of the study revealed that the current recruitment strategies used by the Namibian bank are traditional and conservative, hence the Bank needs to adjust to the latest recruitment methods most especially the social media recruitment strategies.

Effectiveness of the recruitment strategies used by the Namibian bank was raised with mixed feelings given that some participants on the other end deemed the current recruitment methods to be effective and others not. It has also emerged from the study that the Namibian bank does not have an electronic recruitment system and currently all applications are processed manually. The findings of the study also revealed that the Namibian bank only uses three different recruitment strategies. For internal vacancies, the Bank utilizes the internal website, circulars and memos. For external vacancies, the Bank uses the local newspapers. The last recruitment strategy used by the Namibian bank is the third parties, namely the Namibian Bureau and the Ministry of Labour. The Namibian Bureau is the platform where suitably qualified candidates can submit hard copies of their curriculum vitae so that the human resource managers from the Namibian bank can collect them.

5.3.2 Retention challenges at the Namibian bank

The findings of the study showed that the Namibian bank finds it difficult to retain its skilled employees given its inability to meet the remuneration requirements of the skilled

employees coming from other banks. The study further showed that there is inconsistency at the Namibian bank when it comes to the retention of skilled employees. Given the high staff turnover noted at the Namibian bank, it is evident that retention strategies at the Namibian bank are ineffective. The findings of the study also revealed that the Namibian bank does not have a retention policy in place, which renders the whole process ineffective given that there are no clear guidelines in place which outlines a formal process to be followed when a skilled employee has to be retained.

The current study further found out that the retention of skilled employees is managed by the line managers who also differ in opinion thereby creating gaps in the whole retention strategy for the Namibian bank. This remains as one of the major setbacks for the retention of skilled employees by the Namibian bank. Retention strategies the Namibian Bank needs to give attention to are the following:

- **Recruitment and hiring** – It is worth spending time and effort on recruiting. When there is a good match between employees and an organisation, retention is less likely to be an issue.
- **Orientation and on boarding** - It is worth having good hiring practices in place. Treating employees right in the critical early stages of employment has been proven to enhance retention.
- **Training and development** - Training and development are key factors in helping employees grow with an organisation and stay marketable in their field.
- **Performance evaluation** - When employees know what they are doing well and where they need to improve, both the employees and an organisation benefit.
- **Pay and benefits** - Good salary and benefits still count.
- **Internal communication** - Effective internal communication can help ensure that employees stay with an organisation. Employees need to know and be reminded on a regular basis how the organisation is doing and what they can do to help.
- **Termination and outplacement** - Employees who leave on good terms are much more likely to recommend an organisation, and in doing so, help an organisation to attract and retain future employees.

Together with the above, it is important for employees to enjoy good benefits while in the employ of the Namibian bank and not only receiving better benefits at the point of exit from the Namibian bank.

5.3.3 Turnover challenges at the Namibian bank

The findings of the study showed that the Namibian bank is experiencing high turnover challenges attributed to salaries that are not market related, poor communication, limited training opportunities, lack of support from the Executive and Senior Management. The implementation of the new core banking system has also contributed to the high turnover at the Namibian bank. The findings on unattractive remuneration structure of the Namibian bank was consistent with the detail that emerged from the analysis of the Advice of Termination of Service documents (resignation forms) which revealed that employees who terminated their services from the Namibian bank through resignation cited poor remuneration structure as the major reason. Other reasons for termination like intention to pursue further studies, better salary, career prospects elsewhere and a need for better working conditions also emerged from the analysis of the Advice of Termination of Service.

Aspects that the Namibian Bank needs to address includes the following:

- Assessment of the heavy workloads.
- Poor working relationships with supervisors/management.
- Poor communication from management and system challenges.
- The lack of career growth that could attract the employees to remain working at the Bank. Limited training opportunities.
- Rework the current remuneration scales and policy.

5.4 CONCLUSIONS

Based on the findings in this research study, the researcher came to a number of conclusions, which are now presented in terms of the main themes that emerged from the data analysis.

5.4.1 Recruitment challenges at the Namibian bank

The Namibian bank has a recruitment policy in place, which guides its recruitment process. However, what emerged is that the recruitment policy is not comprehensive enough and as such, some critical processes are not covered. The key aspect not covered is when the Namibian bank should advertise internally or externally. The said shortcoming has resulted

in inconsistencies in the recruitment process, which have caused discontent amongst employees. In addition, the study also showed that the Bank only makes use of limited sources of recruitments and hence cannot attract greater pool of talent or skilled employees.

5.4.2 Retention challenges at the Namibian bank

The Namibian bank does not have a documented retention policy in place and this shortcoming has contributed to the Bank's inability to retain its skilled employees. The absence of the retention policy has resulted in various inconsistencies and ineffectiveness within the retention process at the Namibian bank. The last finding that emerged is the remuneration structure of the Namibian bank, which is not market-related.

5.4.3 Turnover challenges at the Namibian bank

The research showed that the Namibian bank is experiencing high turnover challenges attributed mostly to salaries that are not market related, poor communication, limited training opportunities, lack of support from the Executive and Senior Management. The implementation of the new core banking system has also contributed to the high turnover at the Namibian bank.

In conclusion, the findings of the study have confirmed that the Namibian bank is experiencing challenges with recruitment and retention of skilled employees as highlighted above. These challenges have resulted in the Namibian bank recording high turnover statistics when compared to its competitors. If the challenges of recruitment and retention are not addressed, this could negatively affect the Bank's performance in terms of growth and sustained profitability. In 2007, the Namibian Bank's market share stood at 15.2%, whereas as at 31 December 2015, its market share dropped to 13.4% (Bank of Namibia, 2015), compared to its peers' market share which stood at (23.9%), (30.2%) and (32.5%) respectively. Adequate human resources practices and policies are indispensable for effective service delivery for the Namibian bank given that excellent service is the key determining factor.

5.5 RECOMMENDATIONS

Based on the research findings and literature control done the researcher formulated the recommendations as given in this section.

5.5.1 The bank to change its remuneration structure

- The Namibian bank should correct the salary discrepancies that exist and ensure that there is consistency, fairness and equity in its remuneration structure.
- The Bank ought to develop a comprehensive and effective retention policy. This is a major weakness that needs to be addressed by the Namibian bank. Regular review of policies is also recommended.
- The Namibian bank should improve communication between the Executive Management, Senior Management and staff given that poor relationships lead to low staff morale, poor performance, poor service delivery and high turnover.

5.5.2 The Namibian bank to implement training and development programmes

- The Namibian bank needs to provide training to employees and inculcate a learning culture by introducing incentives that will motivate the employees to further their studies in line with their chosen career in the banking industry.
- The Namibian bank ought to identify the critical or scarce skills it wants to retain and develop a talent database. The Bank should invest in the critical skills identified and align its retention strategies to that effect.
- The Namibian bank must also conduct regular skills audit in order to address the skills challenges experienced by the Bank.

5.5.3 Demonstrating appreciation for staff by showing recognition, better salaries and incentives

- The Namibian bank needs to regularly review its employee value proposition and benchmark its salaries with its peers. The Namibian bank should also address staff turnover problem through offering better reward schemes. At present, the reward schemes are vague and not transparent.
- The Namibian bank must work towards enhancing its corporate culture such that the employees will appreciate their reasons of existence and align their personal vision with that of the Bank.

5.6 SUGGESTIONS FOR FUTURE RESEARCH

- i. Research is a continuous process. This researcher suggests that a quantitative research study be done to determine the views from the employees before the revision of policies.
- ii. Other researchers may conduct similar studies in their work environment to advance the recruitment and retention of staff.
- iii. After implementation of the recommendations or some of them, it will be meaningful for the Namibian Bank to conduct a similar study to determine the development in these areas.

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The information collected must be kept strictly confidential and only viewed by the student, the project examiners and essential UNISA staff, except where I have otherwise granted consent in writing.

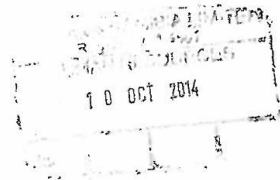
Respondent's Signature: [Handwritten Signature]

Respondent's job title: MANAGER: LEARNING & DEVELOPMENT

Date of consent: 10/10/2014

NEDBANK
NAMIBIA LIMITED

HEAD OFFICE
12-20 Dr Frans Indongo Street
PO Box 1, Windhoek
Tel (+264 61) 295 9111 Facsimile (+264 61) 295 2120
SWIFT: NEDSNAMX
E-mail: serviceplus@nedbank.com.na
Website: www.nedbank.com.na



NEDBANK NAMIBIA LIMITED (REGISTERED BANK) REG. NO. 73104561
ULTIMATE CONTROLLING SHAREHOLDER
NEDBANK GROUP LTD
Directors: T. Jack (Chairman), L.J. Mattheus (Managing Director), B.W.R. Ndeke, J.A. Pieske, T.T. Himwepe, L.M. Moutonga (N.C.)
Company Secretary: M. Mung'ala (MS)
*South African **Cushman

22 June 2015

TO WHOM IT MAY CONCERN

Dear Sir/Madam

As per the attached consent from Nedbank Namibia, we hereby give permission to Ms. Sencie Kaizemi, (student number 33308012), to collect identifiable information about our employees from available records (e.g. staff records) as part of her studies at the University of South Africa.

The researcher will analyze various documents available such as exit interviews, resignation forms, turnover reports and staff culture surveys.

The information collected must be kept strictly confidential and only viewed by the student.

Yours faithfully




Diana Mokoetse
Executive: Human Resources

NEDBANK NAMIBIA LIMITED
(REGISTERED BANK) REG. NO. 73/04561
ULTIMATE CONTROLLING SHAREHOLDER
NEDBANK GROUP LIMITED
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Directors: TJ Frank (Chairman), LJ Matthews (Managing Director), RWR Buchholz*, JA du Plessis*, TT Hivilepo, LM Muzungu (Mrs), RP Niddrie, CJ Pearce*, RH Peleora**
AR Schlimming-Chassa (Mrs)
M Meking (Mrs) (Company Secretary)
(* South African) (** German)

A Member of the  OLD MUTUAL Group

22 June 2015

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AR Schlimming-Chassa (Mrs)
M Meking (Mrs) (Company Secretary)
(* South African) (** German)

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Appendix 2: Interview Guide

MS. SENCIA KAIZEMI

STUDENT NUMBER: 33308012

INTERVIEW GUIDE TO NAMIBIAN BANK MANAGERS ON CHALLENGES OF RECRUITMENT AND RETENTION

1.
 - (a) How does your organisation currently recruit its employees?
 - (b) Would you say these methods are effective? Motivate your answer.

2.
 - (a) How does your organisation currently retain its employees?
 - (b) Would you say it is effective? Motivate your answer.

3. Which problems or challenges do you or your organisation experience with the recruitment of its skilled employees?

4.
 - (a) Which problems or challenges do you or your organisation experience with the retention of its skilled employees?
 - (b) Why do you think people leave the organisation?
 - (c) Do you think the situation can be reversed at this organisation? Motivate your answer.

5.
 - (a) What do you recommend to address the challenges or problems of the recruitment of skilled employees at this organisation?
 - (b) What do you recommend to address the challenges or problems of the retention of skilled employees at this organisation?

6.
 - (a) Does your organisation address staff turnover challenges? If yes, tell me more about it. If no, why not?
 - (b) Would you say that staff turnover at this organisation is problematic? Motivate your answer.
 - (c) Are there any specific interventions to address staff turnover challenges?
 - (d) In your view are any of these interventions successful in terms of improvement in both effectiveness and efficiency? Motivate your answer.

- (e) Are some interventions more successful in terms of improvement in both effectiveness and efficiency than others? Motivate your answer.
7. (a) Does your organisation address skills shortages? If no, why not? If yes tell me more about it.
- (b) In your view are these interventions successful in terms of improvement in both effectiveness and efficiency? Motivate your answer.
- (c) What do you think can be done to address the skills shortages in your organisation?
- (d) In addition to what you already do to address the situation, is there anything you think you or your organisation could do to improve the situation?
8. (a) In your view are there any organisational factors that facilitate or impede retention?
- (b) In your view are there any organisational factors that facilitate or impede skills acquisition?
9. (a) Does your organisation invest in the training and development of its staff?
- (b) How does your organisation train and develop its staff?
- (c) Who will typically participate in these interventions?
- (d) Do you think training and development influence employees to stay or leave this organisation? Motivate your answer.
- (e) In your view are any of these interventions successful in terms of improvement in both effectiveness and efficiency? Motivate your answer.

-END-

PARTICIPANT INFORMATION SHEET

15 August 2016

TITLE: CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES IN A NAMIBIAN BANK

Dear Prospective Participant

My name is Sencia Kaizemi and I am doing research under the supervision of Prof. Melanie Bushney, an Associate Professor in the Department of Human Resource Management towards a Masters of Commerce: Business Management at the University of South Africa. There is no funding for the research. We are inviting you to participate in a study entitled: **CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES IN A NAMIBIAN BANK.**

WHAT IS THE AIM/PURPOSE OF THE STUDY?

The aim of this study is to explore the challenges of recruitment and retention at a Namibian Bank in order to develop appropriate guidelines at a Namibian Bank to address the challenges of recruitment and retention of skilled employees.

WHY AM I BEING INVITED TO PARTICIPATE?

You have been identified as one of the key participants in this research project based on your knowledge and experience in recruitment and retention. A total of 20 participants were selected from two different managerial levels, being the branch/functional managers as well as the senior/executive managers. The participants must be permanent employees that have been at this Namibian for at least five years. Both female and male managers between the ages of 21 – 64 years will form part of the target population.

WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY / WHAT DOES THE RESEARCH INVOLVE?

The participants will be required to participate in an individual interview about the challenges of recruitment and retention encountered at this Namibian Bank. The study involves digital recording of face-to-face individual interviews with each participant. The interviews are scheduled to take approximately 45 minutes – one hour (45 minutes to 1 hour). The participants will be asked open ended questions. The researcher as interviewer will encourage you to interact freely.

CAN I WITHDRAW FROM THIS STUDY?

Participation in this study is voluntary and the participants are under no obligation to consent to participate. If you do decide to take part, you will be given this information sheet to keep and will be asked to sign a written consent form. You are free to withdraw at any time and without giving a reason. There is no penalty or loss of benefit for non-participation.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

The findings of this study will enable the Namibian Bank to develop appropriate guidelines that will enable this organisation to recruit and retain its current staff, most especially the skilled employees. The results of the study will assist policy makers, management and practitioners with regards to recruitment and retention of employees and particularly, skilled workers. The study will also contribute to the existing body of knowledge relating to recruitment and retention of employees in scarce skilled labour markets. In addition, the study will contribute to a greater understanding and insight in various recruitment methods and retention strategies which the human resources practitioners can embark upon and establish best practices. Recommendations relevant to the outcome of the research will be made. Further recommendations for future studies will also be made.

WHAT IS THE ANTICIPATED INCONVENIENCE OF TAKING PART IN THIS STUDY?

The only anticipated inconvenience may be the time to participate in the interview or if you do not want to answer an interview question. There are also no right or wrong answers and you may choose not to answer a specific question. Physical or financial risk is not reasonably foreseen. The researcher will make all efforts to minimise risks and will also obtain informed consent from all the participants.

WILL WHAT I SAY BE KEPT CONFIDENTIAL?

Your name will not be recorded anywhere and no one will be able to connect you to the answers you give. Your answers will be given a fictitious code number or a pseudonym and you will be referred to in this way in the data, any publications, or other research reporting methods such as conference proceedings. Your privacy will be protected. Personal particulars will not be recorded and responses will also not be linked to individuals. The researcher undertakes to keep all findings confidential. Your answers may be reviewed by people responsible for making sure that research is done properly, including the transcriber, external co-coder, and members of the Research Ethics Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records. The external co-coder and transcriber will sign confidentiality agreements. A report of the study may be submitted for publication, but individual participants will not be identifiable in any publication or report. The anonymous data may be used for other purposes, e.g. research report, journal articles, conference presentation, etc.

HOW WILL INFORMATION BE STORED AND ULTIMATELY DESTROYED?

Hard copies of your responses will be stored by the researcher for a period of five years in a safe at the researcher's residence for future research or academic purposes. The electronic information will be stored on a password protected computer. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable.

Only the researcher and the supervisor will have access to computer-based records and the researcher will ensure safe storage of the data on an encrypted device in a safe at the researcher's residence. The researcher will store the electronic research data in a secure place for at least five years or until such a time that there is no reasonable possibility that the researcher will be required to present the data as evidence. The researcher will destroy all the data when it is no longer of functional value. The records stored on a computer hard drive will be erased using commercial software designed to remove all data from the storage device. In addition to the aforesaid, the researcher will shred all relevant research documents and delete computer files permanently as well. A record stating what was destroyed and when will also be kept by the researcher in a safe at the researcher's residence.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

There will be no incentives to the participants for taking part in this research. The researcher will ensure that the participants do not incur any costs as a result of the research in question. The face to face individual interviews will be conducted in the boardroom at all branches of a Namibian Bank and hence you will not incur any travelling or other associated costs.

HAS THE STUDY RECEIVED ETHICAL APPROVAL?

This study has received written approval from the Research Ethics Committee of the College of Economic and Management Sciences, Unisa. A copy of the approval letter can be obtained from the researcher if the participants so wish.

HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS?

If you would like to be informed of the final research findings, please contact Ms. Sencia Kaizemi on +264 811222095/264 61- 2835090 or email address at Sencia.rukata@bon.com.na or 33308012@mylife.unisa.ac.za. The findings are accessible for three months.

Should you have concerns about the way in which the research has been conducted, you may contact Prof. Melanie Bushney and the contact details are +27 12 429 3748 or email at MBushney@unisa.ac.za.

Thank you for taking time to read this information sheet and for participating in this study.

Yours sincerely,

Sencia Kaizemi

CONSENT TO PARTICIPATE IN THIS STUDY

I,, confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and I am prepared to participate in the study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable).

I am aware that the findings of this study will be anonymously processed into a research report, journal publications and/or conference proceedings.

I agree to the recording of the face-to-face individual interview.

I have received a signed copy of the informed consent agreement.

Participant name & surname: (please print)

Participant signature..... Date.....

Researcher's name & surname: Sencia Kaizemi (please print)

Researcher's signature..... Date.....

Witness name & surname.....(please print)

Witness's signature.....Date.....

PERMISSION LETTER

Request for permission to conduct research at a Namibian Bank on

CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES IN A NAMIBIAN BANK

21 August 2014

Mr. Lionel Mathews
Managing Director
Nedbank Namibia
P O Box 1
Windhoek
10 -12 Frans Indongo Street

Dear Mr. Mathews,

I, Sencia Kaizemi doing research under the supervision of Prof. Melanie Bushney, an Associate Professor in the Department of Human Resource Management is studying towards a Masters of Commerce: Business Management Degree at the University of South Africa. I do not have funding from any institution.

I am requesting permission to carry out a research at your institution for the study entitled **CHALLENGES OF RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES IN A NAMIBIAN BANK.**

The aim of this study is to explore the challenges of recruitment and retention at a Namibian Bank in order to develop appropriate guidelines for human resource practitioners to address these challenges.

Your organisation has been selected because it is one of the top financial institutions in Namibia and challenges of recruitment and retention have been noted at this organisation.

The research is qualitative in nature and is a study of a single Namibian Bank. The population of this study will comprise all of the 661 employees of a Namibian Bank and the

sample size will be purposively selected from two different managerial levels, being the branch/functional managers as well as the senior/executive managers drawn from the Namibian Bank retail branches, Head Office and the Human Resources Department in Windhoek. The purposively selected 20 managers are all from the Windhoek branches, which will constitute 15 branch/functional managers and 5 from the senior/executive level managers.

The researcher will prepare an interview guide and the face-to-face individual interviews will be recorded on a digital recorder, transcribed and analysed.

The findings of this study will enable the Namibian Bank to develop appropriate guidelines that will enable this organisation to recruit and retain its current staff, most especially the skilled employees. The results of the study will assist policy makers, management and practitioners with regards to recruitment and retention of employees and particularly, skilled workers. The study will also contribute to the existing body of knowledge relating to recruitment and retention of employees in scarce skilled labour markets. In addition, the study will contribute to greater understanding and insight in various recruitment methods and retention strategies which the human resources practitioners can embark upon and establish best practices. Recommendations relevant to the outcome of the research will be made. Further recommendations for future studies will also be made.

Informed consent will be obtained from all participants. Participation in this study is voluntary, confidential and anonymous and the participants have the right to withdraw at any stage during the research process. There is no penalty or loss of benefit for non-participation. If the participants want to be informed of the final research findings, please contact Ms. Sencia Kaizemi on +264 811 222095/264 61 283 5090 or email address at Sencia.rukata@bon.com.na or 33308012@mylife.unisa.ac.za. The findings are accessible for three months.

Yours sincerely,

Sencia Kaizemi

**Deputy Director: Currency & Banking
Bank of Namibia**

Appendix 4: UNISA Ethics Clearance Approval



DEPARTMENT OF HUMAN RESOURCE MANAGEMENT RESEARCH, ETHICS AND INNOVATION COMMITTEE

17 September 2015

Ref #: 2015_HRM_008
Name of applicant: S Kaizemi
Student #: 33308012

Dear Ms. Sencia Kaizemi,

Decision: Research Ethics Approval

Name: Ms. Sencia Kaizemi [33308012@mylife.unisa.ac.za, +264 811 222095/ +264 612835090]

Name of Supervisor: Prof Melanie Bushney [mbushney@unisa.ac.za; 012 429 3748]

Proposal: Challenges of recruitment and retention of skilled employees in a Namibian Bank

Qualification: M.Com Business Management (with specialisation in Human Resource Management)

Thank you for the application for research ethics clearance to the Department of Human Resource Management Research, Ethics and Innovation Committee for the above mentioned research. Final approval is granted for the duration of the project.

Full approval: The application was reviewed in compliance with the Unisa Policy on Research Ethics by the Department of Human Resource Management REIC on 15 September 2015.

The proposed research may now commence with the proviso that:

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
- 2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the Human Resource Management Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.
- 3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.
- 4) Please ensure that confidentiality agreements are in place with transcriber as well as coder, prior to fieldwork.



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Note:

The reference number (top right corner of this communiqué) should be clearly indicated on all forms of communication [e.g. Webmail, E-mail messages, letters] with the intended research participants, as well as with the Department of Human Resource Management REIC.

Kind regards,



Prof I Potgieter

Chairperson

012 429 3723/ vissell@unisa.ac.za



Prof B Moko

Acting Executive Dean

College of Economic and Management Sciences



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Appendix 5: Confidentiality Agreement with Coder



CONFIDENTIALITY AGREEMENT WITH CODER:

Mr. Rodrick T. Chipere

This is to certify that I, **Mr Rodrick T. Chipere**, the coder of the research project "Challenges of Recruitment and Retention of Skilled Employees in a Namibian Bank" agree to the responsibilities of the analysis of the data obtained from participants (and additional tasks the researcher(s) may require in my capacity as coder.

I acknowledge that the research project is conducted by Ms. Sencia Kaizemi of the Department of Economic and Management Sciences, University of South Africa.

I understand that any information (written, verbal or any other form) obtained during the performance of my studies must remain confidential and in line with the UNISA policy on Research Ethics.

This includes all information about participants, their employees, their employers/their organisation, as well as any other information.

I understand that any unauthorised release or carelessness in the handling of this confidential information is considered a breach of the duty to maintain confidentiality.

I further understand that any unauthorised release or carelessness in the handling of this information is considered a breach of the duty to main confidentiality.

I further understand that any breach of the duty to maintain confidentiality could be grounds for immediate dismissal and/or possible liability in any legal action arising from such breach.

Full Name of code: **Mr Rodrick T. Chipere**

Signature of coder:  Date: 27 September 2016

Full Name of Primary Researcher: **Ms. Sencia Kaizemi**

Signature of Primary Researcher:  Date: 27 September 2016



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Appendix 6: Confidentiality Agreement with Transcriber



CONFIDENTIALITY AGREEMENT WITH TRANSCRIBER:

Ms. Roberta Ann Savannah Bach

This is to certify that I, Ms. Roberta Ann Savannah Bach, the transcriber of the research project "Challenges of Recruitment and Retention of Skilled Employees in a Namibian Bank" agree to the responsibilities of the analysis of the data obtained from participants (and additional tasks the researcher(s) may require in my capacity as transcriber.

I acknowledge that the research project is/are conducted by Ms. Sencia Kaizemi of the Department of Economic and Management Sciences, University of South Africa.

I understand that any information (written, verbal or any other form) obtained during the performance of my studies must remain confidential and in line with the UNISA policy on Research Ethics.

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I further understand that any unauthorised release or carelessness in the handling of this information is considered a breach of the duty to main confidentiality.

I further understand that any breach of the duty to maintain confidentiality could be grounds for immediate dismissal and/or possible liability in any legal action arising from such breach.

Full Name of transcriber: Ms. Roberta Ann Savannah Bach

Signature of transcriber:

A handwritten signature in black ink, appearing to read "Roberta Ann Savannah Bach".

Date: 3/9/2015

Full Name of Primary Researcher: Ms. Sencia Kaizemi

Signature of Primary Researcher:

A handwritten signature in black ink, appearing to read "Sencia Kaizemi".

Date: 03/09/2015

Appendix 7: Main interview transcribed data – NBSE3

NAMIBIAN BANK EMPLOYEES MAIN INTERVIEWS

Audio Recordings (Duration: 00:43:08)

INTERVIEW WITH NBSE3

INTERVIEWER: Good morning, Madam. My name is Sencia Rukata, a student with the University of South Africa doing my Masters Degree in Commerce. I have selected your institution as the case study. So I am looking at the challenges of recruitment and retention of skilled employees at your bank and I have few questions that I want to ask you this morning.

NBSE3: Good Sencia.

INTERVIEWER: Okay. My first question is: **Question 1 (a): How does your organisation currently recruit its employees?**

NBSE3: It is internal as well as external advertisements as well as where we have identified potential candidates in the market that we know or we have been referred to we would contact them directly, but all of that is still subject to the requirements of the current legislation that we would have to refer and advise of open or vacant positions to the Central Employment Bureau who would then have to make recommendations.

INTERVIEWER: Okay. Just a question. **What is your level at the bank? Are you a manager?**

NBSE3: I am an Executive Committee Member.

INTERVIEWER: Okay, thank you. Okay, in terms of your recruitments methods, you say you either do it internally or externally. **What are the types of mediums that you use?**

NBSE3: It was mostly in the print media, in the newspapers, internally it would be on our intranet, so it is electronic and we have now started to refer in the newspapers, the print media, to the full extent of the vacancy or job description to refer to the website.

INTERVIEWER: Oh, okay.

NBSE3: But that is it.

INTERVIEWER: That is it, you do not have any other form that you use?

NBSE3: I am not aware that we are currently using social media to advertise vacant positions.

INTERVIEWER: Oh okay.

NBSE3: I do not believe so, no.

INTERVIEWER: Okay. Thank you. **My next question is: Question 1(b): Will you say these methods are effective? If you could please motivate your answer.**

NBSE3: Mixed success and I believe we are missing out on skilled employees potentially with LinkedIn for example, one would be able to reach a broader network. I think in the sections of the unskilled or more the administrative type jobs the print media I believe is still effective, we are still reaching a broad audience. When it comes to the skilled network I find that we often receive volumes of applications, but actually not qualifying.

INTERVIEWER: Oh okay.

NBSE3: So certainly when it is in the print media, but I guess that is a result of just the high unemployment rate and people (intervention)

INTERVIEWER: Trying their (intervention)

NBSE3: trying to be successful in whichever way.

INTERVIEWER: Okay. Thank you, Madam. We are continuing to the second question. **Question 2(a): How does your organisation currently retain its employees? What are the methods in place to retain your skilled employees at the bank?**

NBSE3: Well retaining employees has a lot to do with demonstrating a tangible employee value proposition. Money alone does not retain employees and certainly not only skilled employees. There is a good portion of skilled employees recently qualified that certainly do hunt the money and that would consider other job offers if the remuneration were better, but that alone is not keeping employees and certainly not only skilled employees.

INTERVIEWER: Okay.

NBSE3: We are looking at having share schemes whereby talented individuals as well as black employees or what, what falls under black, the previously disadvantaged groups, then receive share allocations, but those only need to vest over, are vesting over a certain period of time, but I believe that is not yet fully effective. We need to do more and probably also advise more about this, but retaining, if it comes to skilled employees, that leave for better money we often try to counter offer where it is worth and where we believe it is not going to make a difference, that does not work. I have had situations of skilled employees, and credit skills are very scarce in the market, that wanted to leave and I could simply convince them on the basis of where our bank and our institution wants to go to strategically, so they bought into our

vision. And also our view and where we want to take the bank and their future within the bank. I was successful in some occasions and others that did not matter the money was more important.

INTERVIEWER: Oh.

NBSE3: So it depends on each case.

INTERVIEWER: Oh okay.

INTERVIEWER: Thank you. **Question 2 (b): Will you say this it is effective, your current retention strategies that you just alluded to?**

NBSE3: No, and that is why we are really working hard on proposing a proper employee value proposition to the whole package of wellbeing of the employee at work, understanding the bank's vision, career development and it goes down to the very basic hygiene factors in HR. So if that proposition is lived and executed then one can retain staff better.

INTERVIEWER: Okay.

NBSE3: Not at the moment.

INTERVIEWER: Okay. Thank you, Madam. My next question is, question three is: **Question 3: Which problems or challenges do you or your organisation experience with the recruitment of its skilled employees?**

NBSE3: It is simply a limited pool in Namibia and when it comes to highly skilled and specialised then it is the pool and one needs to know who is in that limited pool. That is simply it. I guess you may have to define for me 'skilled' versus 'unskilled'. Is skilled anything else than unskilled?

INTERVIEWER: Skilled refers to your skilled employees.

NBSE3: Okay I see.

INTERVIEWER: The pool is limited. As a result, you struggle to attract. Any other problems that you can think of when it comes to recruitment of these skilled employees?

NBSE3: They do not only demand fairly high remuneration, but they also need a lot of challenges. So they want to be stimulated in an environment, so I found for example with young chartered accountants they come for a period of two to three years and then they move on into another environment to experience something different. So one has to accept that they do not necessarily stay, like I am currently for nine years, they may only come and stay for three to five years and then move on into a different industry. So they need different challenges far sooner and that is alright. One just needs to understand that.

INTERVIEWER: Okay.

NBSE3: In fact, and then continuously invest in them. I think as an employer one has to just adapt to those changing circumstances and environment of the new young generation.

INTERVIEWER: Okay. On the other end my next question is: **Question 4(a): Which problems or challenges do you or your organisation experience with the retention of its skilled employees?** Earlier we looked at the recruitment, now we are looking at the challenges on the retention of skilled employees.

NBSE3: I think the biggest challenge we as an organisation have is the ownership. So in terms of the remuneration theory you would have the immediate basic remuneration, you would then have a short term incentive plan and a long term incentive plans and I believe we as

an organisation currently struggle partly with the short term incentive, but also with the long term incentive and the type of long term incentive we can provide certainly on the retention basis.

INTERVIEWER: Okay.

NBSE3: But we do have our successes in the interim until we get that long term incentive.

INTERVIEWER: **Can you elaborate a bit on these short term and long term incentives?**

NBSE3: So short term incentive would be reward for the previous twelve months' worth of performance and enticing that type of performance for the coming year, the next twelve months. Long term incentive is more of do we wish to retain this employee for five to six years and what do we provide then and that typically is in the form of share allocations and that is where we currently do not have sufficient effective measures.

INTERVIEWER: Okay. Thank you. **Question 4(b): Why do you think people leave the organisation? What are some of the contributing factors?**

NBSE3: Well one of the reasons is the manager. That is often the case. Others is simply other career opportunities. If I recollect skilled employees leaving it is simply other opportunities outside with potentially more remuneration and then it could also be simply for other benefits being offered and here I am talking, if one talks skilled employees one has to also consider skilled female employees. We, for example, do not yet have the full suite of flexible arrangements, so you may find many young skilled ladies that once they have children would like to have half day jobs for example or flexi hours whereas I am fortunate that I have the full forty hours'

minimum a week, but I mean as a manager or executive the number of hours does not really count, but I have floating hours. So that is not yet a benefit to other employees, managerial and down, and that is something we are working on currently in terms of our employment conditions that is possible and that is what I have seen, certainly, with quite a few young skilled women that would prefer the flexible hours, half day hours which we cannot offer yet. So they potentially leave for that. They leave for other industry, other options, because of the limited pool, they, and even it is a limited pool, but this country offers a lot of different industries where one can apply the skills. So that is mostly the reason why my skilled employees have left is simply other industries and opportunities.

INTERVIEWER: Oh, okay. **Question 4(c): Do you think the situation can be reversed at the bank? Please motivate your answer.**

NBSE3: It can. As I said if we make further enhancements to our long term incentive plan, our short term incentives, the employee value proposition we can improve that position of retaining and recruiting, but in the end it is a young skilled workforce which is quite dynamic, it is always going to seek new opportunities. So all one can do is for the short time they do stay with the banking institution that offers the best potential rewards during that period.

INTERVIEWER: Okay. Thank you, Madam. My next question is: **Question 5(a): What do you recommend to address the challenges or problems of the recruitment of skilled employees at this organisation?**

NBSE3: There are several options and we partly participate and some of that is in South Africa it is already, for example for chartered accountants one has a top route or one does articles in public

practice which would be an audit firm or one does it within out of public practice within an industry, so one could attract skilled employees through that route. It is also potentially nurturing skilled employees so that would be taking them in almost as bursas and then developing them during the period of the employment. That is an option. Probably also during the nurturing phase offering the bursaries for them to study and then committing them with the bank for a period of time.

INTERVIEWER: Oh okay.

NBSE3: Institutions and banking institutions do offer the opportunity to also travel across borders. So that is something we certainly have not advertised and promoted as much, but it is possible to within the organisation move into other African countries, Southern Africa, East, North Africa and that also does attract young talent. Young talent does not only want to work locally.

INTERVIEWER: Okay.

NBSE3: And they do seek the international experience which we can as institutions actually offer. If I think of the local banking institutions, they can actually offer that.

INTERVIEWER: Okay.

NBSE3: So, one almost binds them to a brand or a group that they could travel within so that is another, I think potential.

INTERVIEWER: Okay. Next one. **Question 5(b): What do you recommend to address the challenges or problems of the retention of skilled employees at this organisation?**

NBSE3: At this organisation, mine, at the risk of repeating myself it is really enhancing on the short term incentive, long term incentive plan. Enhancing the value proposition and that means, if I say enhancing the employee value proposition and living it, it is something that is dependent on all executive team members, on all managers, it is not just an HR function. Project or function and yes, so it is a combined effort of all leading team leaders.

INTERVIEWER: Okay, question six: **Question 6(a): Does your organisation address staff turnover challenges? If yes, please tell me more about it, if no, why not?**

NBSE3: As far as I recall from the monthly reporting to us as executive team our turnover could be considered high, but in relation to the industry is actually still within norm. So to me that is the continuous movement and it is not at a rate where we would say it is alarmingly high and we need to put interventions in place.

INTERVIEWER: Okay. **Question 6(b): Would you say that staff turnover at this organisation is problematic? If you could please motivate your answer.**

NBSE3: One needs to distinguish where it is problematic and where not. You will always have a fairly high volume of or turnover in the entry level positions and administrative positions and the way I am dealing with it within my team is to really build up and develop, so if a senior clerk would resign I would look internally towards a junior clerk, if there is potential, to take up that position. If an analyst resigns one could look at the administrative team. So within my team turnover is quite high, one could say high in the administrative leg or unskilled part, but we can always source it

from internal. And that is my preferred way of doing it, because one provides a career path for the entry level positions further up.

INTERVIEWER: Okay.

NBSE3: When it gets to skilled employees I am fairly fortunate not to have high turnover on those. It just takes a long time to recruit and find the right individuals.

INTERVIEWER: Oh okay. Thank you. **Question 6 (c): Are there any specific interventions to address staff turnover challenges?**

NBSE3: As I have said earlier the employee value proposition and then we have put in guidelines and policies as to if one is appointed internally one should remain in that position for at least twelve to fourteen months before applying for another position.

INTERVIEWER: Okay.

NBSE3: So, but that is more hygiene and policy driven.

INTERVIEWER: Next, okay, we are moving on. **Question 6(d): In your view are any of these interventions successful in terms of improvement, in both effectiveness and efficiency?**

NBSE3: Again for skilled employees it is currently more counteroffers than anything else.

INTERVIEWER: Okay.

NBSE3: So not yet too effective.

INTERVIEWER: So it is not yet effective.

NBSE3: Not, it, not yet too effective. I think it can be better.

INTERVIEWER: Okay. Earlier you indicated several interventions that the bank embarks upon. **Question 6(e): Will you say some interventions are more successful in terms of improvement in both effectiveness**

and efficiency than others? If you could please motivate your answer.

NBSE3: I believe, skilled or unskilled does not really matter. If the employee believes in the direction of the institution, in the leadership of the institution and intends following then that is effective.

INTERVIEWER: Okay.

NBSE3: That sort of is the glue in the relationship. The other factors like remuneration and then reward in terms of short term and long term incentive that adds to, certainly to the retention of skilled employees and that is where we have not, in my opinion, have not been very successful yet.

INTERVIEWER: Okay. **Question 7 (a): Does your organisation address skills shortages? If no, why not, if yes, would you please tell me about it?**

NBSE3: Well skill shortages, we have to date and we offer almost like a bursary to students, so employees studying with a recognised institution for a recognised degree till to date received those funding costs being reimbursed over an above the normal basic remuneration. We are now looking towards providing them as study loans rather than bursaries for everyone, but then also bursaries for the selected few that will be identified through a panel and yes, so in that instance we have certainly aided the skills program, but one finds that employees either doing, pursuing their own academic studies or like in this year we have identified, I believe, it is fifteen managers for management development program, we have

got two managers on a senior management program with a South Africa University. So we are addressing it in that way.

INTERVIEWER: Okay.

NBSE3: Not only the hard skills. So whilst their academic studies are more a hard skill the development programs are as important, because we would often find we would promote a skilled employee into a managerial position, but then not having equipped that individual for the managerial duties and that is why we found it important to embark on it this year to send that many employees on a management development program and that also retains skilled employees. It creates some sense of commitment, because we are investing in those employees, so yes, that is what we have been doing.

INTERVIEWER: One of the things that the bank does to address the skill shortages. **Question 7(b): In your view are these interventions successful in terms of improvement in both effectiveness and efficiency? If you could please motivate your answer.**

NBSE3: Oh we have too many statistics. We previously sent to management develop programs two or three people, employees a year, this year is the first one where we have really embarked on sending a whole number of them. In my team all of those that have been sent on development programs have remained with the bank, but I know of others that have attended those senior management programs and then after completion left the bank, so one does get it as well, it remains to be seen what comes out of this year's broad based program and whether we have been effective in retaining, were we effective in retaining the skills or not.

INTERVIEWER: Okay. Thank you, Madam. **Question 7 (c): What do you think can be done to address the skills shortages in your organisation? What else can the bank do?**

NBSE3: As I said I think skills shortage, if it is in relation to skilled employees it is really fishing in the right ponds, knowing the right organisations and circles where to recruit from, offering potential programs like that are available in South Africa for example for the chartered accountants, AML, the legal, I think it is fishing in the right ponds and then eventually is making us as an institution an attractive employer and that can really only come from the branding, the value that propose in terms of basic remuneration, incentive plans and making them believe in our story.

INTERVIEWER: Okay, thank you, the next question is: **Question 8 (d): In addition to what you already do to address the situation, is there anything you think you or your organisation could do to improve the situation?**

NBSE3: And that is what I have referred to so the other programs, potentially bursaries that we do not do yet to external, other than the joint venture with another non-banking institution.

INTERVIEWER: Okay. Thank you. Question eight: **Question 8(a): In your view are there any organisational factors that facilitate or impede retention?**

NBSE3: That impedes retention? It is the day to day experience in the job, if that is not enjoyable to any employee they will consider something else if it is not being address in time, if performance management is not being perceived to be fair, yes, that does impede.

INTERVIEWER: Okay. Next one: **Question 8(b): In your view are there any organisational factors that facilitate or impede skills acquisition?**

NBSE3: It is not doing it effectively and I think we have referred to it upfront. We are recruiting still in fairly traditional manner so I think we need to probably up our game differently and it comes to basic things, the way one recruits, is it just paperwork, by way of submitting documents in an envelope or by e-mail, print or do we use a recruitment system that already would plot the applicants against certain measures. So we do not have that yet either and do not have a database thereof, so yes that could probably be.

INTERVIEWER: Okay. **Question 9 (a): Does your organisation invest in the training and development of its staff?**

NBSE3: Yes. Yes.

INTERVIEWER: Could you elaborate a bit on that?

NBSE3: That is simply on the job specific training, we offer for example credit training not only to credit, employees in the credit division, but also to the bankers. That is being invested in. It could potentially be more targeted, but that training is being offered to all relevant employees in the bank.

INTERVIEWER: Okay, let us move on to the next question which is **Question 9(b): How does your organisation train and develop its staff?**

NBSE3: Currently employees in the annual or every six months' discussions, but also it is a live document, it is a personal development plan where employees indicate their preference, their need for training and that is then to be identified by managers and

then there is a training program, so certain courses are offered and then employees can register for that type of training. It could potentially be more effective by way of actually analysing those personal development plans and understanding for all of them where is the trend, where is the need and then designing courses accordingly, but we have gone one step into that direction in terms of the management development program in the current year.

INTERVIEWER: **Do you look at an annual budget when it comes to training that you just set aside?**

NBSE3: Yes, so it will always have to be in any kind of commercial operation. One has to weigh up the cost benefits and training in which ever form has to meet the budget, has to be maintained within the budget.

INTERVIEWER: Okay. **Question 9 (c): Who will typically participate in these interventions?**

NBSE3: All levels of employees and preferably the new recruits or recently recruited employees, but then also the skilled like the managerial, those are employees not only recently appointed, they would have been with the bank for a while, needed to be nominate by their line managers.

INTERVIEWER: Okay, the next question is **Question 9 (d): Do you think training and development influence employees to stay or leave this organisation? If you could please motivate your answer.**

NBSE3: I think it does. As I said if I am being recognised as needing training sometimes we send people that are underperformers continuously on training, but if one, if an employee experiences that he is valued in the sense that he is being identified to attend

training, he is allowed to attend training to improve his skill, broaden his skill in my view it does create commitment, but that may be different to the next generation.

INTERVIEWER: Okay.

NBSE3: They may perceive, may not perceive it the same way.

INTERVIEWER: Okay.

NBSE3: I do believe that it does create some form of a commitment to retain skill, but we need to be simply honest and aware of the fact that the young skill is looking for a dynamic work environment and opportunities and would simply move on after they have gained the skill, applied the skill for a while, they would want to move on and gain a new skill.

INTERVIEWER: Okay.

NBSE3: And banking is banking, one cannot offer it all everywhere and that is where the potential is with cross border movements which we could explore better.

INTERVIEWER: Explore. Okay, my final question is **Question 9(e): In your view are any of these interventions successful in terms of improvement in both effectiveness and efficiency? If you could please motivate your answer. These training interventions that you just cited.**

NBSE3: We are, and actually I think for the first time this year, critically evaluating some of the training to assess whether it actually brings the desired outcome. So our line managers are providing feedback to the training providers as to the skills that are being or is the material that is being taught in the classroom environment being actually applied and if we, and some of my line

managers have noticed that it is actually not being applied so what do we do differently that it is understood and then actually applied. So I think that is an improvement over previous years where we can provide that active direct input usually at the end of a course when the participants give their inputs. We are now looking at line managers providing input whether the training was indeed in a way effective that it is actually being applied. The management programs, it is exciting, it is refreshing to see the excitement in the team and the participants and how they wish to improve and apply so that is exciting and we will have to see whether that indeed turns out into an effective application thereof. The, I cannot really talk to the other training program other than in my unit, so, yes.

INTERVIEWER: Okay. I think we have covered all the questions. That concludes my interview this morning. Thank you very much for your time and for your willingness to accommodate me. I really appreciate it and I wish you a very pleasant day.

NBSE3: Thank you, pleasure.

INTERVIEWER: Thank you.

END OF INTERVIEW WITH NBSE3