

**Gordon Institute
of Business Science**
University of Pretoria

**Retention of Critical Skills in Small Business:
A Business Owner Perspective**

Christina M. Schäffner

14444608

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

9 November 2015

ABSTRACT

Small businesses have a high failure rate in South Africa, mainly due to lack of skills, resources and inexperience of owners. There is a lack of research into skills retention in small business. Understanding how established small businesses manage to retain employees with critical skills would equip small owners with some tools that could assist them in achieving success.

Owners of twelve established companies were interviewed in this study. The questions posed to these individuals aimed to i) establish which skills are most critical to their business, ii) what they, as leaders, perceive to be the motivation that employees seek in order to remain with the businesses, and iii) actions that employers would take to ensure retention of skilled employees. Through a process of thematic analysis, the data collected was assessed and concluded upon.

The results indicate that small business owners, or employers, value skills as much as other employee attributes when considering retention. For them, the most preferred skills and attributes for retention include people skills and organisational fit. On the other hand, the most important motivators for employees include financial reward and communication. Ultimately, the top influencers include employers taking personal interest in employees and demonstrating flexibility.

KEYWORDS

Critical skills

Small business

Employee retention

Employee motivators

Organisational influences

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Christina M. Schäffner

9 November 2015

Table of Contents

ABSTRACT	i
KEYWORDS.....	i
DECLARATION.....	ii
1. CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM.....	1
1.1. Background.....	1
1.2. Retaining Critical Skills	2
1.3. Small Businesses in South Africa	3
1.4. Extent of Research	4
1.5. Research Problem and Motivation.....	4
1.6. Research Methodology and Design.....	5
1.7. Summary of this Study.....	5
2. CHAPTER 2: LITERATURE REVIEW.....	6
2.1. Introduction	6
2.2. Small Business	6
2.3. Critical Skills	7
2.4. Retention	10
2.5. Employee Motivation	11
2.5.1 Maslow's Hierarchy of Needs.....	11
2.5.2 Personal Development and Advancement Need	13
2.5.3 Freedom (within Boundaries)	14
2.5.4 Flexibility and Empowerment	15
2.5.5 Attachment – the Nine Forces Framework.....	15
2.6. Organisational Dimensions that Influence Retention.....	17
2.6.1 Leaders of the Organisation	17
2.6.2 Human Resource Management Practices.....	18
2.6.3 Culture and Organisational Fit.....	19
2.6.4 Information Technology.....	19
2.6.5 Vision Communication and Sharing	20
2.7. Conclusion	20

3. CHAPTER 3: RESEARCH PROBLEM, SCOPE AND QUESTIONS	22
3.1. Research Question 1	22
3.2. Research Question 2	22
3.3. Research Question 3	22
3.4. Research question 4	23
4. CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN	24
4.1. Introduction	24
4.2. Research Process	24
4.3. Research Philosophy	25
4.4. Research Approach	26
4.5. Research Strategy	26
4.6. Research Method	27
4.7. Research Time Horizon	27
4.8. Data Collection Techniques and Procedures	27
4.8.1 Population and Unit of Analysis	28
4.8.2 Sampling Method and Sample Size	28
4.8.3 Data Gathering Instrument	29
4.8.4 Data Gathering Process	29
4.8.5 Data Analysis Approach	30
4.9. Trustworthiness	30
4.9.1 Credibility	31
4.9.2 Transferability	31
4.9.3 Dependability	31
4.9.4 Confirmability	31
4.10. Limitations to Research	32
4.11. Conclusion	33
5. CHAPTER 5: FINDINGS.....	34
5.1. Introduction	34
5.2. Number of Participants and Data Saturation	34
5.3. Demographic Profile of the Participants	35
5.4. Number of Themes that Emerged	36

5.5.	Skills Critical to Small Businesses	36
5.5.1	Skills Identified as Essential to be Retained.....	38
5.5.2	Other Attributes Identified as Essential to be Retained.....	40
5.6.	Employee Motivators that have an Impact on Retention	43
5.6.1	Financial Benefits and Incentives.....	44
5.6.2	Communication with Leaders	45
5.6.3	Happy with Work and in the Work Environment.....	45
5.6.4	Owner is Involved in Everyday Business	46
5.6.5	Personal Development.....	46
5.6.6	Trust from Management.....	47
5.6.7	Respect from Seniors.....	47
5.6.8	Feeling Included in the Business.....	47
5.6.9	Management Attending to Problems Promptly.....	48
5.6.10	Presented with a Performance or Mental Challenge.....	48
5.7.	Practices by Small Business to Retain Skills.....	49
5.7.1	Taking a Personal Interest in Employees.....	50
5.7.2	Time Flexibility.....	51
5.7.3	Fairness in Workload and Reward	51
5.7.4	Open-door Policy.....	51
5.7.5	Providing Structure.....	52
5.7.6	Small Things.....	52
5.7.7	Voicing Platform	53
5.7.8	Being Honest with Employees.....	53
5.8.	Other factors that influence retention.....	53
5.8.1	Small Office Setup.....	54
5.8.2	Emigration	55
5.8.3	Economy	55
5.9.	Conclusion	56
6.	CHAPTER 6: DISCUSSION OF FINDINGS	57
6.1.	Introduction	57
6.2.	Skills Critical to Small Business.....	57
6.2.1	Skills Critical to Retention.....	57
6.2.2	Other Employee Attributes Critical for Retention.....	60
6.3.	Employee Motivators Impacting Retention	62

6.3.1 Financial Benefits and Incentives.....	63
6.3.2 Communication with Leaders	63
6.3.3 Happiness with Work and in Work Environment	63
6.3.4 Owner Involvement	64
6.3.5 Personal Development.....	64
6.3.6 Trust from Management.....	64
6.3.7 Feeling Included and Respected.....	65
6.3.8 Management Attending to Problems Promptly.....	65
6.3.9 Being Presented with a Challenge	65
6.4. Organisational Practices to Retain Critical Skills	67
6.4.1 Financial Influence	67
6.4.2 Taking a Personal Interest in Employees.....	68
6.4.3 Flexible Working Hours	68
6.4.4 Fairness in Workload and Reward	69
6.4.5 Open-door Policy.....	69
6.4.6 Providing Structure.....	70
6.4.7 Small Things.....	70
6.4.8 Providing a Voicing Platform	71
6.4.9 Being Honest with Employees.....	71
6.5. Other Issues that Influence Retention	72
6.5.1 Small Office Setup.....	72
6.5.2 Emigration	72
6.5.3 Economy	73
6.6. Conclusion	73
7. CHAPTER 7: CONCLUSION AND RECOMMENDATIONS	74
7.1. Research Problem and Research Objectives.....	74
7.2. Principal Findings	75
7.2.1 Skills Critical to Small business.....	76
7.2.2 Employee Motivators.....	77
7.2.3 Organisational Influences.....	78
7.3. Recommendations for Small Business Owners.....	78
7.4. Limitations of Research	79
7.5. Recommendations for Future Research.....	80
REFERENCES	81

APPENDIX A: Interview Guide	91
APPENDIX B: Full Results List	92
ETHICAL CLEARANCE LETTER.....	96

List of Figures

Figure 1: The positioning of retention in human resource management.....	3
Figure 2: Literature review summary	6
Figure 3: The retention process	11
Figure 4: The research onion.....	25
Figure 5: Number of new themes emerging per interview	35
Figure 6: Retention attributes of employees identified by participants.....	38
Figure 7: Themes identified per research question.....	56
Figure 8: Format of principle findings.....	75
Figure 9: Top five factors identified for employee retention related to the most significant critical skills and attributes sought by small business owners	76

List of Tables

Table 1: Demographic profile of the participants	36
Table 2: Attributes identified as relevant for retention.....	37
Table 3: Employee motivators as perceived by small businesses.....	44
Table 4: Organisational influences to motivate employees to stay and be retained	50
Table 5: Other issues perceived by participants as influencing motivation.....	54

1. CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1. Background

Small businesses in South Africa have about a thirty seven per cent chance of surviving within the first four years of operation and a nine per cent chance to survive for ten years according to small business minister, Lindiwe Zulu (Thomas S. , 2014). Ravi Govender, head of small enterprises at Standard Bank, cited the main reasons for failure of small business being a lack of skills, experience and resources (Your Business Magazine, 2014). According to the 2014 Annual Global CEO Survey (PricewaterhouseCoopers, 2015) in which chief executive officers (CEOs) across 77 countries (p. 40) were interviewed, CEOs of small companies are particularly concerned with how to obtain skills. Of the small family companies included in this survey, 61 per cent “...saw retention of skills and talent as a key issue to be addressed...” (p. 29). The National Federation of Independent Business (NFIB) confirmed this with a small business survey: 47 per cent of small businesses that participated in recruiting activities could not find candidates with skills required for certain positions (Dunkelberg & Wade, 2015). When small businesses consider their employees with skills critical for their business as part of their resources, it would seem imperative for these businesses to retain these skills in order to increase the chance of survival.

Academia revealed that retention practices in small business are not clearly understood as there is a lack of research on this topic in this sector (Durst & Edvardsson, 2012). Their study delved into the status of knowledge management (KM) in small and medium-sized enterprises (SMEs). KM includes the management of knowledgeable employees, referred to as intellectual assets (Wiig, 1997). Durst and Edvardsson (2012) indicated that it had been predicted ten years earlier that large organisations developed KM practices and SMEs would follow suit. The authors revealed that even though certain elements of KM were understood in SMEs, retention was an aspect not clearly grasped in this context.

Employee retention has been identified as a common concern in business. Studies have addressed various aspects relating to retention over a period of time, for example:

- In a study by Kickul (2001) examining the role of the psychological contract in retaining employees in small business, it was found that if employees perceive this contract to be broken it would negatively affect retention;
- The lack of formal human resource management structures resulting in failure to retain employees in small business (Cardon & Stevens, 2004);
- Increased performance is experienced through retention (Patel & Conklin, 2012).

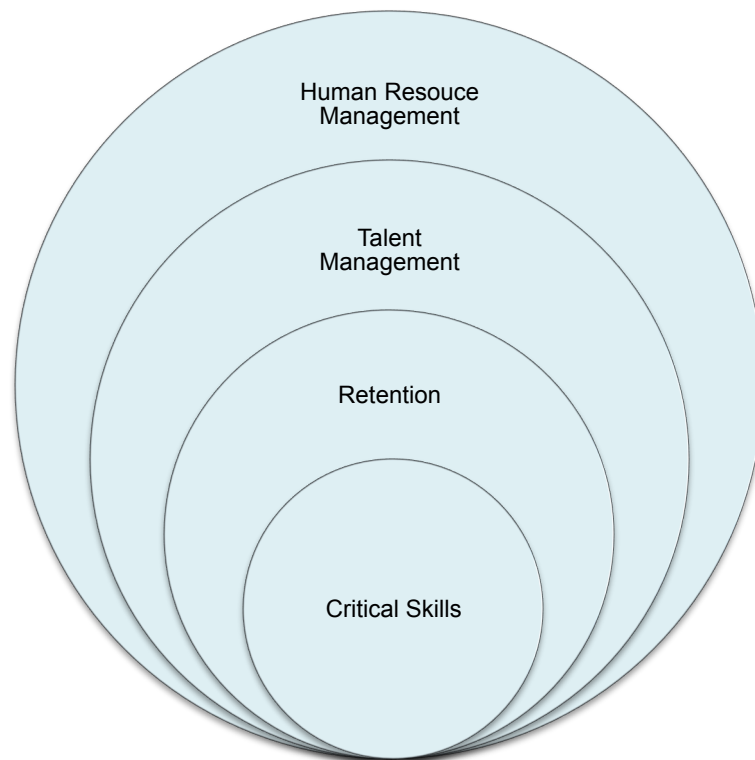
Exploring retention of employees would therefore contribute to academia and aid small businesses in retaining resources critical to their business. In order to comprehend the relevance, motivation and the subsequent problem identification of the research, retention of critical skills and the context of small business in South Africa needs to be addressed. This follows in the sections below.

1.2. Retaining Critical Skills

Human resources are contributing factors to sustainability and growth of small businesses (Darcy, Hill, McCabe, & McGovern, 2014). Human resource management includes several activities such as staff recruitment; job design and analysis; employee orientation, motivation and retention; career development; performance management and appraisals; health and safety and compensation (Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2012, p. 11). Retention is an effort, part of the human resource management process of an organisation, to keep the best employees in an organisation (p. 246). The process of managing knowledge should ensure that an organisation retain certain of its competencies (p. 571). Skills critical for business would therefore be included in the skills and competencies wish to obtain through retention practices.

The current study considers the concept of certain skills that are hard to find, specifically skills critical to small business, explained in detail in Chapter 2 under Section 2.3. The position of critical skills and retention within the human resource management systems of organisations could be illustrated as per Figure 1.

Figure 1: The positioning of retention in human resource management



The core of this study is retaining critical skills specifically in the small business context as indicated in Figure 1. Retaining critical skills forms part of managing talent within the human resource management function in organisations. This study explores retention by small business by obtaining information from individuals who manage human resources.

1.3. Small Businesses in South Africa

In the South African context, small-business development minister, Lindiwe Zulu, indicated that small businesses employ more than 50 per cent of the working population as well as contribute more than 45 per cent to the gross domestic product (GDP) of South Africa (Industrial Development Corporation, 2014). Another message from minister Zulu stated that small businesses are expected to be the forerunners in economic success, growth and employment creation which would contribute to reducing poverty (News24, 2015). It can therefore be argued that the place of small business is considered to be significant in the South African context.

According to the Global Entrepreneurship Monitor (GEM) report for South Africa (Herrington, Kew, J., & Kew, 2015, pp. 8-9), the progression of small businesses becoming established is extremely low in South Africa when compared to the rest of Southern Africa and established economies. A small business expert argues that in order to be successful, systems need to be implemented that would delegate activities from the owners to staff members (Phitidis, 2011). Phitidis (2014) further argues that small businesses should be able to function without the presence of the owner, as it increases the value of the businesses. Hence understanding employee retention would benefit current owners that make retention decisions, allow implementation of retention systems and in turn would aid staff members who would take over this responsibility when companies grow.

1.4. Extent of Research

The extent of the research covers established small businesses in South Africa represented by small business owners which include co-owners, recent owners, partners and franchisees who all have experience in retention practices. For the purpose of this study these individuals will be referred to as small business owners. Each of these individuals explained which skills they considered critical to their business. They also explained their perception of what motivates employees having these critical skills to stay with the organization, as well as discussed their efforts to influence retention within their individual small business.

1.5. Research Problem and Motivation

The literature review in Chapter 2 reveals that retention has been addressed in mainly larger organisations which usually with systems in place. Specific aspects that influence retention have also been studied, requiring quantitative research methods. Little research has been forthcoming for small businesses and no research has explored the value of retention for skills considered as critical in the South African small business context.

Considering the value of small business in South Africa, the primary objective of the research therefore is to evaluate and understand the retention strategies employed by small businesses in retaining skills critical for business. The aim of the research is to develop an awareness of the practices in small business to assist in the management

process, increasing the possibility for success, growth and sustainability of small businesses.

From the primary objective the following secondary objectives emerged:

- Identify the skills critical in the small business;
- Determine the understanding of small business with regards to the motivations of employees identified as having critical skills, to stay with the company;
- Identify the influence strategies employed by small businesses that would motivate employees to stay and critical skills to be retained; and
- Consider other factors that have an impact on retention that cannot be influenced by organisations.

To obtain the data required to meet the objectives of this study an appropriate research method and design was selected, summarised next.

1.6. Research Methodology and Design

A qualitative approach was used for this research. As retention practices in small businesses are not clearly understood, in-depth interviews with small business owners were held to obtain information that would explain the retention process in small business context. These small business individuals were from a variety of industries, allowing comparisons thereof, at a particular point in time. Interviews were semi-structured, by addressing themes identified in the literature. In addition the exploratory nature of this study allowed new concepts to be added to theory.

1.7. Summary of this Study

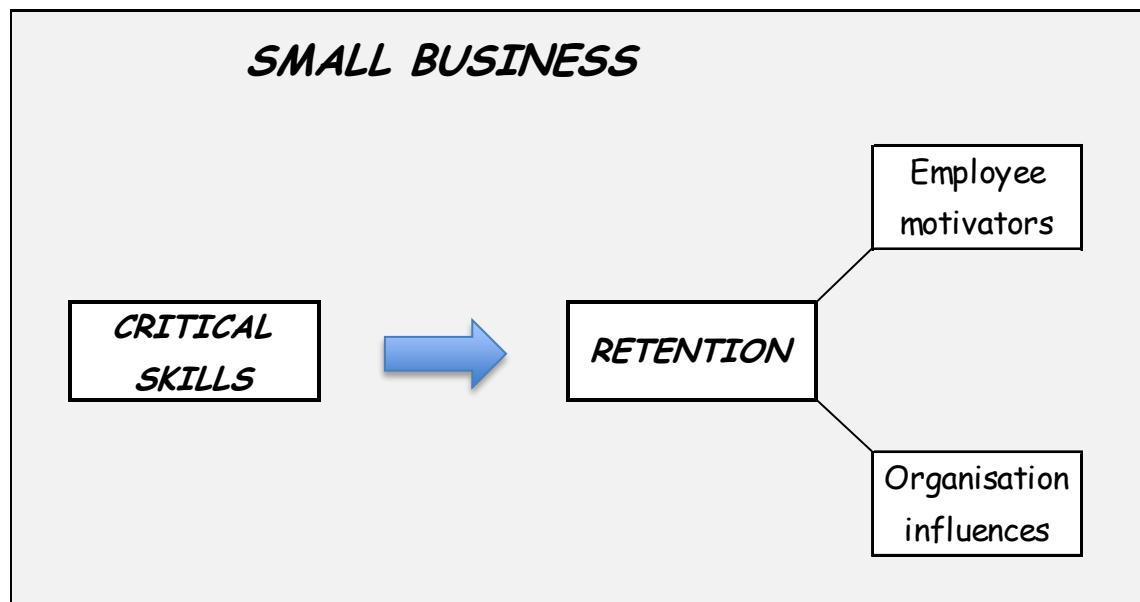
As mentioned previously, a literature review is reflected in Chapter 2, allowing the researcher to obtain information regarding the extent of the studies relating to critical skills, retention and small businesses from an employee motivator as well as an organisational influence perspective. This information was utilised to establish the research objectives and questions identified in Chapter 3. Thereafter the research method is considered in Chapter 4 to determine the most appropriate research methods and design for this study. The findings from the data collected are presented in Chapter 5 and analysed in Chapter 6. In conclusion the main findings and implications for stakeholders of this study are explained as well as limitations and suggestions for future research.

2. CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

The literature reviewed in this chapter comprises three main elements. Firstly the concept and dynamics of small businesses are explained. Secondly skills critical to business are examined and expanded to the context of small business. Lastly retention is discussed incorporating motivations of employees to stay in a business, as well as the influences organisations have on employees that impact on employee motivations. An overview of this chapter is illustrated in Figure 2.

Figure 2: Literature review summary



Each of the elements reflected in Figure 2 are discussed next.

2.2. Small Business

In this section small business is conceptualised from literature. Small business is firstly defined in the South African context. Thereafter the management style in small business is described. Managing resources in the small business context follows from the management style. Lastly, the link to employees in small business is made to resource management.

Small business takes on various definitions, depending on country and business sector. As specified by the National Small Business Act (1996, pp. 15-16) of South Africa, where this study took place, small business is considered to have:

- Less than 50 full time equivalent of paid employees;
- Total maximum annual turnover of between R2 million and R15 million, depending on the industry; and
- Total maximum gross asset value, excluding property, of between R1 million and R4.5 million, depending on the industry.

The sectors in small business are extensive which makes defining the concept of small business complex (Stokes & Wilson, 2010, pp. 3-4). As a result the framework for small business varies according to industry (p. 4). Some sectors however are more suitable for small business (Hatten, 2012, p. 6) than others. The customary differentiation between small and large business is the number of employees (p. 6).

Hatten (2012) explained that in small business, “one or very few people run the business...” (p. 6), therefore the task of managing resources which includes employees, would be incorporated under the functions of individuals who run the business. Small businesses are inclined to be innovative in managing their resources (p. 13). Since employees, part of resources, are the most valuable assets for small businesses (p. 14), these businesses have to be innovative in managing employees.

Small companies mostly lack formal structures in practice (Pajo, Coetzer, & Guenole, 2010), yet manage to succeed in retention. In their study within the context of small and medium enterprises, the authors found that if companies provided employees with opportunities of training and development, those employees were less likely to leave these companies.

2.3. Critical Skills

Here the critical skills component of this chapter are being reviewed through existing literature. Skills critical in the South African context is explained, and extended to incorporate human aspects. Business context is considered next, with examples of skills specific to certain industries. Thereafter, skills critical in management development is discussed. The views of business executives are then included as well

as linking skills to the direction of companies. Finally in this section literature regarding skills typically associated with small business is reviewed.

The Department of Labour (2009) in South Africa categorised critical skills as a combination of:

- common skills throughout different fields like problem solving, language and literacy capability, group work and information technology usage, and
- profession-related skills that are specific to a certain field; like accounting or engineering.

In a notice issued by The Department of Higher Education and Training (2014), calling on comments regarding the national scarce skills list, six out of the top 10 scarce skills identified were engineering related skills. The balance were quantity surveying, financial management, program or project managing and electrician.

Chell (2013) however argued that skill is not merely cognitive and occupation related. Skill is extensively wider, incorporating emotion and behaviour. The author explained in the same study that certain skills are context specific. For example a vital skill in an entrepreneurial context would be the ability to identify opportunities. A study by Baptista, Lima, and Preto (2013) illustrated the value of entrepreneurial skills with findings illustrated there is a direct positive correlation between entrepreneurial skills and wages in small business. Entrepreneurial skills include “creative thinking, resourcefulness, intercultural competency, and innovative solutions” (Hodges, et al., 2015, p. 314).

In a small manufacturing and service firm context it was found that of the over 300 businesses tested, employees make a considerable contribution to company innovation (Andries & Czarnitzki, 2014). The authors found that even though Chief Operating Officers (CEOs) of the small firms tested contributed greatly to product innovation, employees closer to production provided better process innovation than CEOs. The findings of the authors indicated employees contributing to process innovation would have skills that firms would wish to retain.

In a South African small and medium-sized enterprise context, a study by Cant (2012) found that marketing skills are vital for the survival of the small and medium-sized enterprises tested. The same author argued that business markets were dynamic and

required adaptable marketing skills. Therefore marketing skills could be critical for small businesses to retain.

Cai (2014) argued in a management development study that “technical, human and conceptual skills” (p. 209) were basic, yet critical. In the same study technical skills were described as skills needed to address technical factors; human skills were described as those skills needed for human relations and conceptual skills were described as the ability to obtain and filter information to solve problems within a certain context.

Soft skills have become equally salient to hard skills (Robles, 2012). In the same study, it was argued that soft skills encompassed more than people skills, as people skills merely reflected the interpersonal characteristics present in relationships with others. Specifically the author identified “integrity, communication, courtesy, responsibility, interpersonal skills, professionalism, positive attitude, professionalism, flexibility, teamwork skills and work ethic” as the most common soft skills (p. 456). The author found in the same study that business executives valued interpersonal skills as some of the most preferred skills employees should possess. Levasseur (2011) emphasised the relevance of people skills in teams which developed high performance groups within organisations. Certain team work skills were considered as vital for strategy and company purpose (Pasmore, 2014). Therefore, team work skills could be regarded as critical for retention.

Limited literature exists regarding skills required specifically in the small owner-managed business context. The literature commonly generalised that key employees were defined by small business owners as those who are able to complete salient tasks (Schlosser, 2015). In the same study, it was investigated how entrepreneurs differentiate key employees from other employees. It emerged further that employees who were passionate were able to be effective in a short period of time and had superior communication skills were considered key. Skills critical for small businesses to retain, could therefore include those skills that improve effectiveness as well as communication skills.

As Hatten (2012, p. 24) observed, management in small businesses needs to have the ability to apply a diverse set of skills in order for the business to run successfully. Multi-tasking and flexibility could therefore be included in the critical skills needed in small business.

2.4. Retention

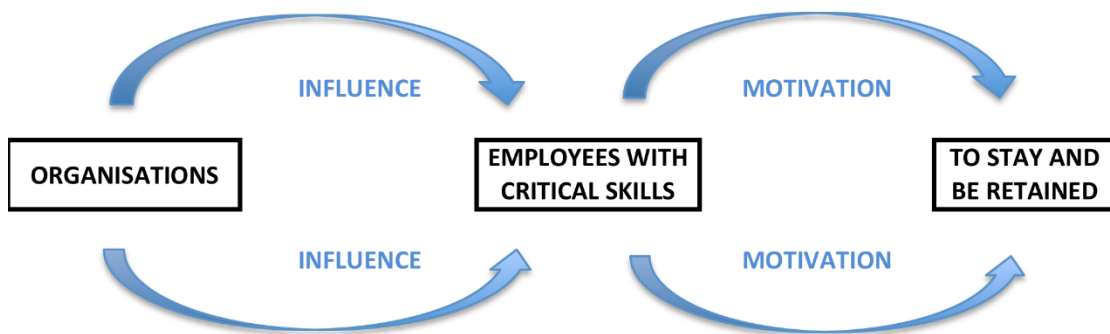
In this section literature on retention and related aspects is reviewed. Firstly human resource management is considered and linked to retention of key skills. Thereafter the relationship between the value of employees and retention is incorporated. Lastly the retention process is visualised with the literature review focusing on employee motivation to stay in an organisation as well as organisation influences on employee motivation as a retention effort.

The human resource (HR) approach considers employees as investments for companies seeking a return on their investment in the form of increased productivity (Darcy, Hill, McCabe, & McGovern, 2014). In turn employee performance and contribution to the success of a business is key to employability, incorporating competence specific to the business context (Nilsson & Ellström, 2012). It follows that in order to qualify as key employees these elements are essential and in turn should be identified for consideration in the retention process.

In terms of measuring the value of employees, Cardy and Lengnick-Hall (2011) suggested that employees should be valued via an employee equity model that is based on a similar model for customers. According to the authors the idea was that companies should measure the values of employees by taking into consideration their contributions and tenure to date. The tenure of employees, and not only employee productivity, could therefore be a consideration in retention.

Employees are at the heart of the retention process and therefore a consideration of what motivates and influences employees to stay in organisations needs to be examined - illustrated in Figure 3.

Figure 3: The retention process



In general people cannot be managed or controlled by others but people can be influenced (Ehin, 2013). Motivation as a form of influence by providing some kind of reward, is one of the driving forces of performance (Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2012, p. 273). As performance is the ground for managing human resources (p. 3), which includes retention, organisations influence employees who perform by motivating them to stay.

2.5. Employee Motivation

This section commences by exploring human levels of need, extrapolating it to employee needs. Thereafter literature is reviewed with regards to the specific needs of employees identified in the workplace. The motivation section ends with a consideration of attachment by employees to organisations.

2.5.1 Maslow's Hierarchy of Needs

Motivation has been linked to needs of humans as far back as 1943 when Maslow identified a hierarchy of basic needs (Maslow, 1943). In the same study it was indicated by the author that people progressed through priority levels of basic needs. Five levels of need were identified by Maslow (1943, pp. 372-382) and could be applied to employees as follows (Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2012, p. 238):

- The physiological needs: the very basic needs human beings require to physically survive. In the context of employment the initial need of employees would be to obtain financial rewards, meeting their physiological needs.

- The safety needs: once the physiological needs are comfortably met, security would be the next motivator. Specifically for employees this would include securing and retaining employment, ensuring the future is provided for and insuring against unforeseen circumstances.
- The love needs: when people feel secure, progression is made to this level, incorporating an association with the need for social belonging. In the context of organisations, this relates to acceptance within the workplace environment by fitting into the organisational culture: being included.
- The esteem needs: once inclusivity is satisfied, a level of self-esteem would be strived for, through respect gained via reputation and recognition. In the workplace, these would include the position and status employees have within organisations, reflecting a sense of achievement.
- The need for self-actualization: once the achievement need has been fulfilled, the desire to strive for more and setting a next goal would be the next level of need. In the work context, employees strive to achieve the next level of employment, development and challenge.

It was noted that even if the hierarchy of needs seemed to be natural levels of progression, and in general would be, there were exceptions where some needs would prioritise others (Maslow, 1954). For example some people might value the self-esteem need above the need for a social belonging.

Maslow (1967) expanded his basic needs studies to incorporate another kind of need beyond the basic, which he referred to as “intrinsic values” (p. 3), noting that once all basic need levels are satisfied, people move into a different level of motivation referred to as “meta-needs” (p. 4). Recently Skelskey (2014) believed that the intrinsic values referred to by Maslow should be added as a sixth level to the hierarchy, arguing that these needs extend beyond the need for self-actualisation. Meta-needs are determined by the individual, society and civilisation itself (Maslow, 1967), and are expected to vary depending on the person and context – the workplace included.

The collective needs explain why rewards as a form of motivation include both financial and non-financial rewards (Grobler, Wärnich, Carrell, Elbert, & Hatfield, 2012, p. 238).

Research in the context of large theme park companies by Milman and Dickson (2014) confirmed that it was not only financial rewards that motivate employees but also non-financial rewards. The authors identified the top three motivators that predict retention as indicated by employees (p. 447):

- “Higher level of satisfaction with their current job,
- better experience with pay, and
- better experience with employee development training classes”.

However another study found that retention was not guaranteed by satisfying employee needs (Woo & Allen, 2014). If employees received benefits from their organisations, but perceived that the benefits were being given in a disinterested manner or with an ulterior motive, it could lead to a failure in retention (Mignonac & Richebé, 2013). Companies therefore need to show sincerity in their actions affecting employees.

2.5.2 Personal Development and Advancement Need

A study within small and medium-sized enterprises identified personal development as a key motivator for employees to remain with organisations: Pajo, Coetzer and Guenole (2010) verified that training specifically assisted with development of employees. This in turn created a perception by the employees that they are supported on a personal level which in turn had an impact on the commitment of employees to the business so increasing retention of employees. Another study regarding the influence of training on employee retention in small and medium enterprises confirmed that training was a factor in employee retention (Beynon, Jones, Pickernell, & Packham, 2015).

Even non-profit organisations relying on volunteers, benefited from volunteers who were motivated by the opportunity to learn and develop (Newton, Becker, & Bell, 2014). Mignonac and Richebé (2013) expanded the benefits of development to retention by making certain training conditional to a specified retention period. The same authors deduced that by having a retention period as a condition of training, employees perceived organisations as showing interest in their development. Having a conditional retention period indicates the value organisations attribute in retaining employees who develop.

Employees in high positions and who performed well, identified opportunities to advance in career as one of the principal reasons to stay with an organisation (Hausknecht, Rodda, & Howard, 2009). It is therefore vital that employee development is considered in the retention practices of organisations.

Employees should however be committed to the organisation in order for the enhancement of skills to result in retention of these employees (Gardner, Wright, & Moynihan, 2011). Darcy et al. (2014) commented in their research that small businesses especially would benefit from committed and loyal employees, given the small number of employees. Such loyal employees would stay with the business voluntarily, hence would be retained.

It could be argued to advance careers might not always be feasible in a small business context, as the development opportunities could either be limited in this context, or the business might not grow fast enough to create growth opportunities for employees. Thus small businesses might be discouraged to consider training as a motivator for retention if growth opportunities for the employees within the business are uncertain (Ghosal & Ye, 2015).

2.5.3 Freedom (within Boundaries)

Providing employees with a certain degree of freedom to perform their duties was identified as another motivator for employees to stay with organisations (George, 2015). However employees need some structure. When following specified procedures, employees had a sense of stability in the workplace (Govaerts, Kyndt, Dochy, & Baert, 2011).

The use of performance management tools in the workplace reflecting the expectations set for employees by businesses (Aguinis, Gottfredson, & Joo, 2012), was another example of limiting freedom, yet retaining employees. This aligns with having a clear purpose in the performance of duties, that allowed greater employee engagement, in turn influencing retention (Maloney & Stanford, 2011).

2.5.4 Flexibility and Empowerment

A study by Beltrán-Martín and Roca-Puig (2013) found that job enrichment influenced flexibility in skill, which in turn influenced the flexibility in behaviour. The authors argued that in order to achieve flexibility, employees needed to have greater empowerment that allowed them better control of their functions. Skill flexibility could be enhanced through training and investment into employees by organisations (López-Cabrales & Valle, 2011), providing employees with additional skills that allow flexibility in the work performed by the employees.

Effective leadership styles in small and medium-sized enterprises were found to influence the time (or temporal) flexibility of employees, but no significant influence on employee flexibility with regards to job activity (or functional flexibility) (Mesu, van Riemsdijk, & Sanders, 2013). The authors considered employees who were committed to their organisations through affection. Their study further deduced that employees mimicked the behaviour of the leaders, showing temporal flexibility.

Flexibility was further addressed by Tracey (2012), where the skill flexibility of employees assisted human resource management systems of organisations, aiding the flexibility of these systems, in order to adapt to dynamic market conditions. In turn when mutually beneficial employment models (or mutual investment models) were established between employees and organisations, functional (or variety of employee tasks) flexibility was increased (López-Cabrales & Valle, 2011).

In the small business context, one of the competitive advantages was identified as flexibility (Hatten, 2012, p. 11). In an analogy using the size of trucks, the same author explained that a small truck has more manoeuvrability than a large truck (p. 12), aligning with skill flexibility of employees, assisting organisations to be adaptable (Tracey, 2012).

2.5.5 Attachment – the Nine Forces Framework

Maertz and Griffeth (2004) constructed a framework of eight motivational forces that influence motivation and subsequently voluntary employee turnover (p. 669) followed by a subsequent study by Maertz with Boyar and Pearson (2012) which extended the eight-force framework by adding a ninth aspect:

- **Affective:** the feelings of employees that are associated with their organisations – the more positive these feelings are, the greater the possibility that employees will be retained.
- **Calculative:** the consideration employees give to the future value of staying with their organisations – similar to personal development discussed: greater possibility of growth and development enhances the chances of being retained.
- **Contractual:** the reciprocal perception between organisations and employees of what the one party expects of the other – this could be either by a physical contract or an assumed understanding, referred to as psychological contract, often based on trust. As long as the contractual needs of both parties are met, the risk of attrition is lower.
- **Behavioural:** the consideration by employees of the material and psychological costs associated with a possible departure, weighed up against the cost of remaining with their current organisations.
- **Alternative:** the belief of employees that alternative positions outside of their companies, with higher perceived value, would be available should they depart. This is similar to the self-actualisation motivation of Maslow (1943) mentioned previously: when this need cannot be met with current organisations, attrition possibility is high.
- **Normative:** the belief of employees of what others, close to these employees, expect from them, and the impact changing jobs would have on these parties. Should changing organisations disrupt family or friends, for example, this might be a motivator for staying with organisations.
- **Moral/ethical:** the consideration of employees of “doing the right thing”. In other words, an internal belief of whether or not quitting a job is the correct form of action, sometimes associated with a feeling of guilt.
- **Constituent:** the relationships employees are part of within their current organisations. When these commitments are high, the willingness to move to other organisations is low.

- Location: the consideration by employees what the impact would be of the physical location of employment. In the modern multi-national corporations this could specifically prove problematic, should employees be required to re-locate in order to remain or progress in organisations.

An awareness of what motivates employees could be utilised by organisations to meet certain needs of employees, in turn motivating employees to stay and be retained. The following section considers existing literature to determine organisational influences for retention.

2.6. Organisational Dimensions that Influence Retention

This section illustrates the dynamics of organisations that influence employee motivation and in turn increase the possibility of retention. In reviewing the literature several factors were identified that could have an influence on retaining employees are discussed below:

2.6.1 Leaders of the Organisation

Bernhard and O'Driscoll (2011) found in small family-owned businesses that the leadership style of owners had an impact on the commitment of employees. The study found specifically that transactional and transformational leadership styles had greater influences on employees to develop psychological ownership attachment to businesses, than a *laissez-faire* approach. The authors argued that having a psychological ownership attachment enhanced the commitment, as well as job motivation, of employees to the company. Hence with increased commitment, employees would be more likely to stay with and be retained by their organisations.

Supporting the commitment aspect, according to the findings of de Villiers and Stander (2011), when a strong relationship existed between employees and their leaders, employees felt that their input was valued which resulted in a sense of empowerment. According to the authors, when employees were empowered, they were more engaged with their jobs and less likely to leave organisations.

In context Allen, Ericksen and Collins (2013) found that the structure of small businesses (which included human resource management, and in turn retention activities) were influenced by leaders/owners. The contact between employees in small business and its (managing) owner, tends to be closer owing to the lack of management layers.

2.6.2 Human Resource Management Practices

A study relating human resource practices with performance in small business (Allen, Ericksen, & Collins, 2013), found that existence of commitment-based human resource practices lead to better company performance, as opposed to businesses without these practices. Darcy et al. (2014) found that having a resource-based view which includes employees as resources, aided the competitive advantage in the SME context. In the study, the authors emphasised the need for talent pools consisting of those employees that added value, as part of human resource management which included retention practices.

Yarnall (2011) contributed to the human resource practices discussion by having reviewed the effectiveness of talent pools through several real life cases. The same author deduced that the efficacy of talent pools was hugely influenced by the variety of talent that needs to be incorporated in these pools. In small businesses with a limited amount of employees, it is often the employees that need to have a variety of talent (Hatten, 2012) and therefore ultimately considered as the talent pool, making the value of employees in small business seemingly significant.

When small companies employed formal approaches to recruiting, employees perceived these companies in a positive light (Reda, Dyer, & Molson, 2010). The authors argued that this perception was due to the presence of independent third parties in the form of recruiting agents in the recruiting process. A sense of fairness was perceived by employees during the process that led to these employees remaining loyal and so being retained by companies.

Another study tested the effectiveness of high performance work systems in the context of small businesses (Patel & Conklin, 2012). Their findings showed that there was no significant correlation between using this kind of system and human resource performance. Instead it was found that organisational culture was a vital factor in

reducing employee turnover. The authors further suggested that small businesses seemed to be more affected by culture than is the norm. These findings seem justified as it can be deduced that since employees in smaller companies work in closer proximity to each other, culture would have a greater influence on retention than in larger firms.

2.6.3 Culture and Organisational Fit

In a case study within a health insurance company, Odom (2013) examined reasons why there was a high attrition rate for employees that had been with the company less than 18 months. The author found that the high attrition rate was mainly due to organisational culture. Adding to this, leaders neglected to ensure that new recruits were eased into the organisation and top talent was retained. Included in the investigation from the same study, was a consideration for management to engage with employees to ensure that the adjustment process progresses smoothly, addressing any difficulties that might arise. In addition the authors argued that if the organisation had voiced clear performance expectation and evaluations as early as possible after recruitment, stability would have been provided to employees that would have increased the retention possibility.

Employees who identified themselves strongly with their organisations experienced greater job satisfaction, that lead to organisations retaining these employees (Prati & Zani, 2013). The authors indicated that when employees felt connectedness to organisations, greater senses of empowerment were experienced, which influenced attitudes towards employment positions, and led to greater commitment, and increased possibility of retention.

2.6.4 Information Technology

An investigation into the comparison between the information technology availability in organisations and retention, found those employees with lesser access to technology had shorter retention periods than those with access to more information technology (Haar & White, 2013). The authors demonstrated that taking into account entrepreneurship the converse applied, and suggested that high levels of information technology availability within organisations would not always influence retention and would be dependent on context.

2.6.5 Vision Communication and Sharing

Organisational performance and employee satisfaction is enhanced when organisations communicate visions to employees (Jing, Avery, & Bergsteiner, 2014). The relationship between performance and satisfaction is aligned to the concept of critical skills as being those skills that enhance performance as explained in Section 2.3. The authors found by communicating vision, employees experienced greater job satisfaction, which led to greater productivity. This in turn increased the possibility of employees with critical skills being retained in organisations.

When considering small businesses, leaders should reflect on their future goals. Considering the lack of focus that sometimes occurs because owners are involved in the running of the business (Durst & Wilhelm, 2012), retaining employees could be negatively affected with restricted clarity on vision.

2.7. Conclusion

The concept of small business is complex. The formal definition of small businesses in South Africa includes having less than 50 employees. Management in small businesses is typically performed by a small number of individuals. Managing resources is incorporated in the management of small business and employee management forms part of resource management.

In South Africa, critical skills are defined as a combination of skills common throughout all sectors, as well as skills specific to profession. Further, human elements such as emotion and behaviour emerged from the literature to be linked to skills. Skills vital to certain industries included entrepreneurial skills and operational efficiency. Essential management skills were identified as technical, human and conceptual skills. Literature revealed soft skills such as communication and integrity as key to organisations. In addition skills linked to company strategy and purpose were considered to be vital.

Literature specific to skills critical in small business was limited. It was identified that small business value particularly a diverse set of skills. In addition value was also noted in skills enabling employees to complete vital tasks.

Individuals are motivated by certain needs being met. These needs vary from the basic physical needs to emotional and personal needs. Literature with regards to employee

motivation showed needs of employees included the need for personal development and personal enhancement, freedom, flexibility and empowerment. It was found within literature that employee attachment to organisations was a motivating factor for employees to stay with organisations. When the needs of employees are met, employees are content and can develop emotional attachments to their work, increasing the possibility of organisations retaining employees.

With regards to organisational influences, existing research revealed certain dynamics of organisations could have an influence on the retention of employees. The elements identified relating to organisational dynamics included organisational leadership, human resource practices, organisational culture and fit, providing technology resources, as well as communicating vision and goals.

Although several studies were identified relating to critical skills, employee motivation and organisational influence, investigating these concepts in small business is lacking. The research questions reflected in Chapter 3 were developed to understand each of these concepts within the dynamics of small business.

3. CHAPTER 3: RESEARCH PROBLEM, SCOPE AND QUESTIONS

From the problem statement in Section 1.4, together with the review of the literature in Chapter 2, the following four research questions were developed:

3.1. Research Question 1

What skills do small businesses consider as critical to their business?

This research question aimed to determine whether small business owners and managers have identified critical skills for their businesses, understanding the reasoning behind the skills identified and how the companies perceive the value of retaining these skills. In addition to gain insight regarding the value of the skills identified by the companies and to find commonalities as well as differences between the individual responses.

3.2. Research Question 2

How do small businesses perceive what motivates employees with critical skills, to stay with these businesses?

This research question explored the factors identified by the organisations as the motivating element, comprehending the perception given by small business of these factors as well as the aspects affecting these perceptions and understanding where the justifications for these perceptions originate.

3.3. Research Question 3

Once the motivations are identified, how do small businesses use the employee motivation awareness to influence retention of employees with critical skills?

The purpose of this research question is to determine the conscious practices small businesses have in retaining employees with critical skills and to which extent the activities are taken to retain these skills.

3.4. Research question 4

What other factors, inside as well as outside of the organisation, influence the retention practices of small businesses?

This research question allows businesses to identify and explain the limits to retention practices taking into consideration the context wherein these practices need to take place.

4. CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN

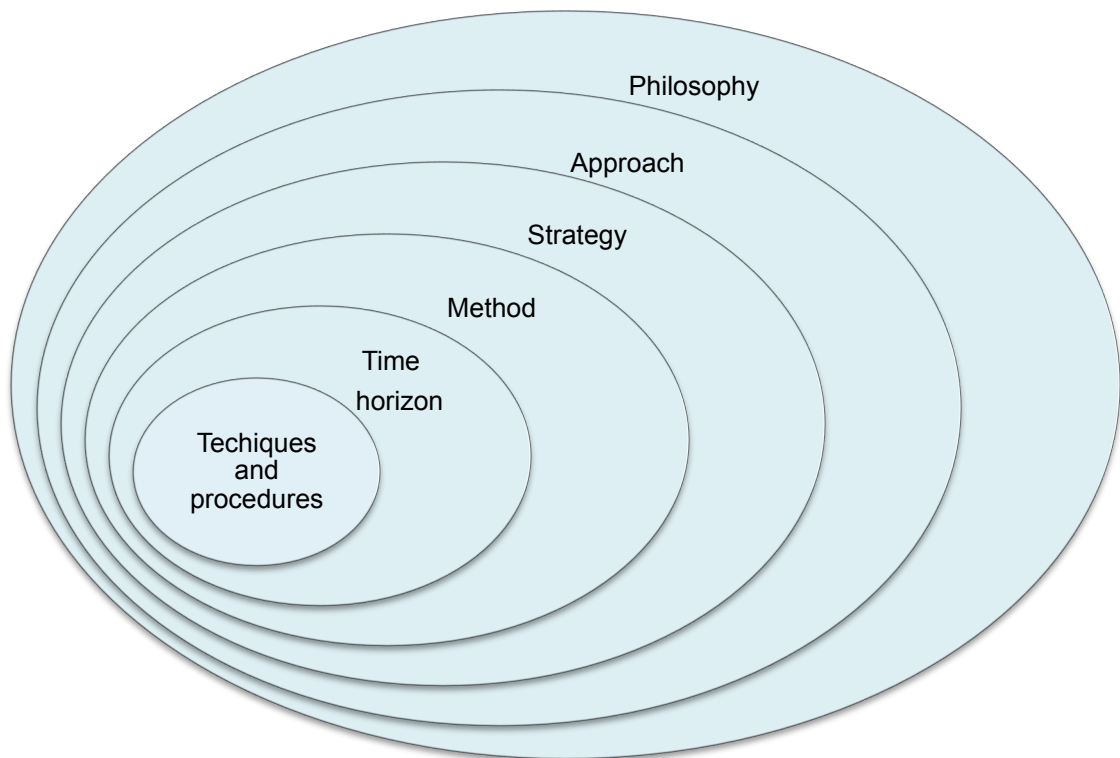
4.1. Introduction

This chapter explains the research methodology and design that was applied to this study. A layered approach was used to clarify the reasoning behind the choice and validity of the methods employed for this study. Commencing with an overview, this chapter explains the philosophy adapted for this study. Then the approaches to this research are addressed, expanded by explaining the study type. Thereafter the focus is narrowed to the strategies and methods used collecting the data. Time horizons in which this study took place are then considered. The core of the chapter reflects the techniques and procedures utilised collecting and analysing the data for this study. The chapter ends with considering trustworthiness and limitations of this study.

4.2. Research Process

This study was qualitative in nature which allowed research in the commercial field to be linked to research in the academic field (Bailey, 2014). To ensure high quality in qualitative research, research methods and designs have to be transparent (O'Reilly & Parker, 2012). Saunders and Lewis (2012) developed “the research onion” (p. 103) designed to assist in covering the stages that should be followed during the research process. This proverbial onion was employed as a guide for the research process of this study, to enhance the transparency and quality of this research. An adaptation of the research onion is illustrated in Figure 4.

Figure 4: The research onion



Adapted from “the research onion” by Saunders and Lewis, 2012, *Doing research in business and management*, p. 103.

A discussion of each of the layers from the research onion follows, commencing with the outer layer (research philosophy) and ending with the core (techniques and procedures) employed in this study.

4.3. Research Philosophy

The research philosophy refers to the way a particular reality is understood (Blaxter, Hughes, & Tight, 2010, p. 59) in order to determine what the most appropriate ways are to study such a reality. The most appropriate research philosophy for this study was interpretivism, as a phenomena in a certain environment was studied (Saunders & Lewis, 2012, p. 106). In this study, the particular reality or phenomena would be the retention of critical skills within the small business environment. By attempting to study this phenomena, it meant understanding the role of certain actors (Saunders & Lewis, 2012, p. 106) within the relevant environment. In the case of this study, those actors are small business owners, representing small businesses, and employees who have critical skills, as perceived by those owners. The focus of this study was to discover

how small business owners “act” to retain critical employee skills in their businesses, by considering factors that need to be taken into account that influence the way employees “act”.

4.4. Research Approach

A research approach reflected in the research onion (Figure 4) is considered at the stage when deciding whether to build a new theory, or test existing theory in a different context (Zikmund, Babin, Carr, & Griffin, 2010, p. 44), in the research process. The literature reviewed in Chapter 2 revealed retention has been studied in mostly larger organisations, whereas this study focused on small businesses. The change of context allowed exploring the extent to which existing theory applies (Saunders & Lewis, 2012, pp. 107-108). Existing theories are known premises and it was deduced that some apply in the small business context, making this research approach deductive in nature (Zikmund, Babin, Carr, & Griffin, 2010, p. 44). However, new observations were obtained from the data collected revealed in Chapter 5, thus the approach to this research had an element of induction (Saunders & Lewis, 2012, p. 109). These observations allowed new elements to be added to the existing theory, establishing general propositions, which is part of inductive reasoning (Zikmund, Babin, Carr, & Griffin, 2010, p. 44).

As this study allowed new insights to be gained regarding the retention of skills critical in small business, as well as assessing retention process in a different context, the type of study was exploratory in nature (Saunders & Lewis, 2012, p. 110). Exploratory research is usually a first step in researching new concepts (Zikmund, Babin, Carr, & Griffin, 2010, p. 60), thus aligning with the inductive part of this research.

4.5. Research Strategy

This study aimed to obtain in-depth detail on how small businesses retain skills critical to business. As was forthcoming in Chapter 2, retaining critical skills in the context of small business is not clearly understood. This research, through in-depth interviews conducted with small business owners, aimed to obtain new insights and explanations of this phenomenon. In addition, the interview process was qualitative in nature and aligned with the purpose of the research of obtaining high quality data relevant in small business. To emphasise this point, the interview process was open in nature, which

allowed a certain flexibility within the proposed structure, making it possible to obtain a wide variety of information, within the research topic, allowing for greater congruity. As questions were posed to participants based on the outcome of historical studies, the researcher aimed to clarify what small businesses were doing to retain critical skills, and how this differs from historical studies. “what?” and “how?” were questions asked to obtain data for interpretation. As this process was aimed to study the experience of individuals within the small business context, a phenomenology strategy (Zikmund, Babin, Carr, & Griffin, 2010, p. 137) was incorporated in this study.

4.6. Research Method

The research method in Figure 4 refers to whether the study was quantitative or qualitative, or a combination of both. Quantitative research explains data with the use of numbers (Tracy, 2013, p. 24). Qualitative research relates to the quality of data, by focusing on obtaining deeper comprehension of the subject matter (Zikmund, Babin, Carr, & Griffin, 2010, p. 133). This study was qualitative in nature with the aim of collection quality information with an in-depth understanding and interpretation of critical skills retention practices in small business. Since the purpose of the research was to make sense of a specific phenomena, the view of small-business owners or managers with regards to critical skill retention, the qualitative research method was best suitable (Tracy, 2013, p. 48).

4.7. Research Time Horizon

The interviews conducted for this study took place at a particular point in time, providing a snapshot of data collected, under conditions experienced by the participants up to that time. As the data was collected at one point-in-time, this study was cross-sectional in nature (Saunders & Lewis, 2012, p. 123)

4.8. Data Collection Techniques and Procedures

The core of the research onion in Figure 4 consists of the techniques and procedures followed collecting and analysing the data. In order to answer the research questions in Chapter 3, understanding how the data was collected and analysed must be considered (Saunders & Lewis, 2012, p. 131), to assess the validity of the data and the findings in Chapter 5.

Firstly, the population and unit of analysis are explained. Thereafter sampling is considered, reflecting on the sampling method and the sample size for this research. Finally the focus is on the data, covering the collection instrument, data gathering process and the data analysis approach used for this study.

4.8.1 Population and Unit of Analysis

The population, consisting of all existing members that qualify as participants for a particular research (Saunders & Lewis, 2012, p. 132), was small, established businesses. In South Africa, small business is defined as any business with a minimum of five and a maximum of 50 employees, plus a maximum amount of turnover or balance sheet value which ranges between R0.5million and R32million (The Department of Trade and Industry, 2008). A business is considered established if it has been in existence for a minimum of 42 months (Herrington, Kew, J., & Kew, 2015).

For the purpose of the study, since South Africa was the location for the study, the South African definition of small business was used to identify suitable candidates. Then, as the focus of this study was on employees (with critical skills), all candidates chosen for this research represented small businesses having less than 50 employees. In addition, all the businesses represented had existed longer than 42 months at the time of the study.

The unit of analysis refers to the data source of the research (Zikmund, Babin, Carr, & Griffin, 2010, p. 119). For this study, the unit of analysis was business owners, which included co-owners, partners and franchisees with experience in retaining skills critical for their businesses. The rationale for the choice of the unit of analysis was to obtain high quality, relevant information.

4.8.2 Sampling Method and Sample Size

Access to the owners of specified businesses who are willing to share private information is challenging, unless it is by referral. Hence, purposive sampling was utilised to identify the most suitable first candidate to answer the research questions (Saunders & Lewis, 2012, p. 138), identified as an typical, established small business (Blaxter, Hughes, & Tight, 2010, p. 170). Snowball sampling provided opportunity of established trust between the researcher and the research subjects, allowing a flow of

useful information that might otherwise not have been provided. Snowball sampling is “a type of non-probability sampling in which, after the first sample member, subsequent members are identified by earlier sample members” (Saunders & Lewis, 2012, p. 139). Snowball sampling is often used when access to information is challenging (Tracy, 2013, p. 136). Using snowball sampling, a high probability existed that the sample would have been homogeneous as “those selected for a snowball sample are most likely to identify others who are similar to themselves” (Saunders & Lewis, 2012, p. 137). To allow the opportunity for some diversity in employee size and industries, the participants were requested to refer small businesses in different industries or with a different number of employees to theirs. Table 1 in Chapter 5 reflects that there was some diversity in size and industry of the sample.

This research allowed for up to 15 business owners to be scheduled for interviews. However, data saturation took place by the 12th interview, discussed in more detail under Section 5.1. O’Reilly and Parker (2012) explained that data saturation occurs when “depth as well as breadth of information is achieved” (p. 192). The number of interviews is in line with the estimated number of interviews expected, between ten and 15 participants, until data saturation is experienced (Saunders & Lewis, 2012, p. 158).

4.8.3 Data Gathering Instrument

With consent, the information for the study was gathered via in-depth interviews with the purpose of describing the observations obtained from these interviews (Tracy, 2013, p. 132). Interviews, as a data gathering instrument, allowed the researcher to explore the phenomena of small business practices in retaining skills critical in their business. The interviews were supported by a discussion guide (Appendix A) linked to the research questions in Chapter 3. The discussion guide provided some structure to the interviews to allow addressing themes identified from the literature reviewed in Chapter 2, making these interviews semi-structured in nature (Saunders & Lewis, 2012, p. 151).

4.8.4 Data Gathering Process

The 12 semi-structured interviews were conducted over a period of eight days. With consent, each interview was digitally recorded. To ensure understanding, the interviewer requested explanation, in the form of “what” and “how” questions, making

listening the overall priority, as well as confirming understandings by re-phrasing answers, to ensure concepts were clear. Interviews like these brought a human element (emotions), which allowed association with the respondents, together with a better understanding of what are complex issues (Saunders & Lewis, 2012, p. 151). The data analysis approach assisted in reducing the risk of bias that might occur with association through emotions, as explained in the next section.

4.8.5 Data Analysis Approach

Within four days of each interview, the researcher transcribed each interview. Once all interviews were transcribed, the researcher compared the recordings to the transcripts to ensure all transcripts accurately reflected the recorded interviews. All transcripts were analysed with the computer-aided software, Atlas.ti, allowing transparency in the analytical process (Woods, Paulus, Atkins, & Macklin, 2015). Themes were established for each research question identified in Chapter 3, in the content of each interview. Each interview was reviewed twice in Atlas.ti to ensure completeness of themes. The themes created in Atlas.ti were reviewed and filtered to ensure no duplications. Similar themes were grouped together. This process assisted in category identification, by means of labelling and coding of key concepts. In turn, various sub categories for commonalities and differences between the interview responses were identified.

Using Atlas.ti allowed an element of objectivity and reduced the possibility of important factors being overlooked, adding credibility to interpretation of the findings (Woods, Paulus, Atkins, & Macklin, 2015). Comparisons were drawn between the literature reviewed as well as the findings, to establish similarities and differences to previous research findings, for new insight identification and verification as explained in Chapter 6.

4.9. Trustworthiness

Guba (1981) suggested four criteria to be considered in determining the trustworthiness of research, commonly utilised when evaluating qualitative research (Cope, 2014). Each of these criteria is now considered for this research.

4.9.1 Credibility

Tracy (2013, pp. 235-236) explained that credibility in qualitative research refers to the believability and plausibility of a certain reality. In an attempt to enhance credibility, only small business owners were chosen to participate in this research. All of the participants had at least four years of experience in retaining skills critical for their businesses. The data obtained from the participants was therefore based on first-hand experience and should add to the credibility of the findings of this research. Quotations from participants were employed to enhance reality within the story in another attempt to enhance credibility.

4.9.2 Transferability

If readers of qualitative research can associate in a way with the research findings, transferability would be accomplished (Tracy, 2013, p. 239). The findings in Chapter 5 has been presented in the format of a story, with participants characterised throughout the story. Characterising participants and incorporating verbatim words quoted from participants was an attempt for readers to associate with the findings, to increase the possibility of believability and trustworthiness.

4.9.3 Dependability

Should the data prove to be stable over time and across different conditions, it would be dependable (Elo, et al., 2014). Since this research was exploratory in nature, the findings would be the basis for future research. Therefore, the findings might not be dependable in different contexts, nor over time. Further research would be required to confirm whether the findings are dependable.

4.9.4 Confirmability

Confirmability relates to the objectivity applied to research and occurs when the first three criteria of trustworthiness (credibility, transferability and dependability) have been established (Thomas & Magilvy, 2011). As explained in Sections 4.8.4 and 4.8.5, the data of this study was processed with the assistance of computer software to lend a certain amount of objectivity. However, the researcher interpreted the data, which could add an element of bias.

4.10. Limitations to Research

Qualitative research has various limitations in itself, which could also manifest in the research done. Validity and reliability of the research could be questioned by the way the data was collected, measured as well as interpreted (Saunders & Lewis, 2012, p. 127).

The following limitations are therefore identified:

- Since this study was interpretive in nature, the insights gained from the data obtained for this study, would be those as perceived and interpreted by the researcher (Zikmund, Babin, Carr, & Griffin, 2010, p. 127). The interpretations would therefore have an element of observer bias (p. 128). Tracy (2013, p. 229) argues that to have research without bias is impossible.
- As this study was exploratory in nature the purpose was not to provide conclusive evidence, but with the expectation that further research would be undertaken to provide conclusive evidence (Zikmund, Babin, Carr, & Griffin, 2010, p. 54).
- Conclusions or findings influenced by the experience or qualities of the researcher, hence a lack of bracketing (Tufford & Newman, 2010), is a risk. Omitting, or an unawareness of, preconceived ideas might influence the interpretation of the data.
- Historical and cultural context is not always evident and is usually as dynamic as the fast changing world, hence the study could only be relevant in a specific context (Tracy, 2013, p. 42).
- As sample size is vital for statistical power to generalise (Tracy, 2013, p. 138), and this research was qualitative in nature focusing on the small business context, the findings cannot be generalised.

4.11. Conclusion

The research design and methods that were employed in this study was explained in this chapter with the use of “the research onion” that provided a framework of elements that needed to be addressed during a study. The layers of the research onion were individually discussed, starting with the outer layer and working inwards to the core.

It was established that the philosophy was interpretivism, as the researcher interpreted the data obtained from the participants. The research approaches were inductive, as literature was tested in a different context with an element of induction due to new observations forthcoming from this study. The research method was qualitative, supported by semi-structured, in-depth interviews conducted with the assistance of an interview guide to obtain the data. This study was cross-sectional, as the interviews took place at one point in time in different industries and contexts.

The core of the research onion was addressed, identifying the population as all small established businesses and the unit of analysis as the owners of these businesses. Purposive and snowball sampling was employed to identify the participants. The data obtained from the in-depth interviews were transcribed and analysed with the use of atlas.ti software, assisting with identifying themes relating to literature reviewed as well as new themes.

In closure, limitations to the methods and design of this research was recognised. Even though research methods and designs were transparent, bias in this research could not be avoided as there was still an element of subjective researcher input.

5. CHAPTER 5: FINDINGS

5.1. Introduction

The findings of the study are presented in this chapter, according to the four research questions identified in Chapter 3, namely:

- Identifying skills critical in small business
- Employee motivators that have an impact on retention
- Small business practices to retain skills
- Other factors that influence retention

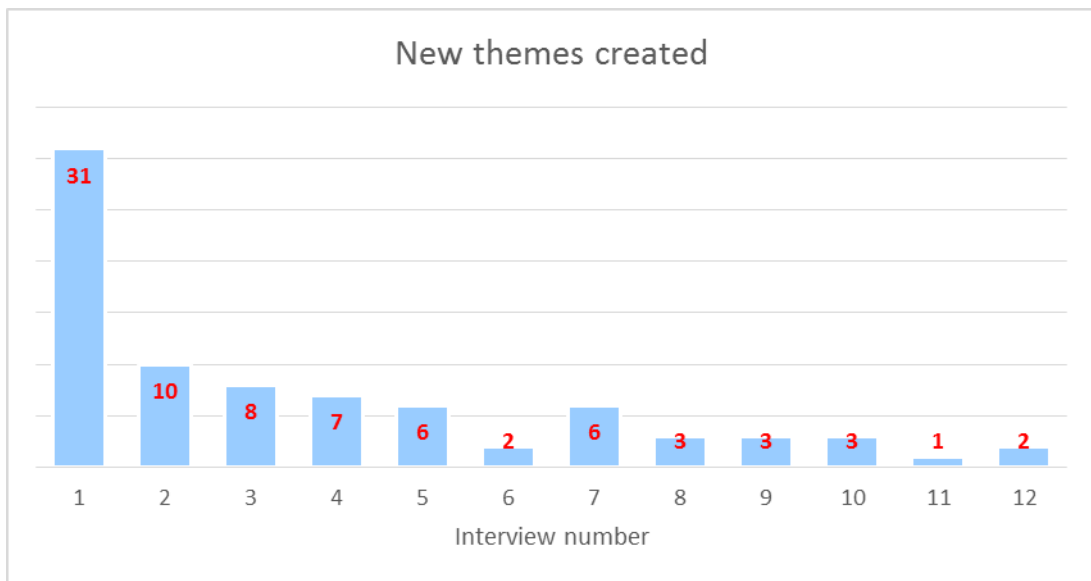
Prior to discussing the results for the research questions the profile of the participants and the themes that emerged are considered. Firstly, the number of participants interviewed is justified. Thereafter, the demographics of the participants are discussed. An overview of the themes identified follows.

Results are presented after the overview of participants and themes, focusing on the themes that overlapped mostly amongst the participants. Results will commence with themes revealed for skills critical in small business. Common themes forthcoming from employee motivators impacting retention follows. Then, same themes identified amongst participants regarding influence practices to retain skills are disclosed. In closing, common themes relating to other factors that influence retention are uncovered.

5.2. Number of Participants and Data Saturation

The sample of the research consisted of 12 individuals who are, or who have been within the 12 months preceding this research, either business owners, co-owners, partners or franchisees. Data saturation was reached by the 11th and 12th interviews, as evident from Figure 5, indicating the number of new themes that emerged per interview. Thus, after the 12th interview no further interviews were conducted.

Figure 5: Number of new themes emerging per interview



5.3. Demographic Profile of the Participants

Each of these individuals has been in their position for four years or longer and was responsible for managing the employees referred to in this study. The participants were selected to obtain high quality, relevant information regarding skills critical in small business and an understanding of the process of retaining these skills. These participants covered a range of industries years of experience in the company and number of employees managed. The participants consisted of three sole-owners, five co-owners, two franchisees, one partner and one ex co-owner. Eight of the participants had been with their companies between four and seven years, two between 12 and 17 years and two 20 years or longer. Seven of the participants employed between 30 and 49 employees and five participants employed between six and 19 employees. The list in Table 1 provides a summary of the details regarding these participants interviewed listed in order of number of employees in their organisations. The companies included in the sample can all be classified as small business since their sizes by number of employees ranged from six to 49. This is in alignment with the Small Business Act definition of small businesses – between five and 50 employees (Republic of South Africa, 1996)

Table 1: Demographic profile of the participants

Participant	Industry	Position	Years in company	Number of Employees
1	Geological consulting	Co-owner	12	49
2	Engineering technology	Ex co-owner	7	48
3	Audit and financial	Partner	28	47
4	Electrical engineering	Co-owner	6	42
5	Car rent-to-purchase	Co-owner	7	40
6	Restaurant	Franchisee	7	30
7	Mining technology	Co-owner	4	30
8	Restaurant	Franchisee	4	19
9	Physiotherapy	Owner	17	9
10	Veterinary	Owner	20	7
11	Beauty service	Co-owner	4	7
12	Hospitality goods trading	Owner	7	6

5.4. Number of Themes that Emerged

A total of 82 themes (as evident in Figure 5) were identified pertaining to the four research questions identified in Chapter 3 and related interview questions as per Appendix A. Frequency analysis was used to identify the rank of each theme identified under each of the research questions. The highest ranked themes emerging from the results for each of the research questions are discussed in the next sections. A full list of themes identified is reflected in Appendix B.

5.5. Skills Critical to Small Businesses

What do small businesses consider as skills critical to their business?

The aim of this research question was to explore which skills small businesses from the perspectives of the owners (or similar as detailed in Table 1) deemed critical for their

businesses (research question 1 and interview guide questions 1 and 2). Based on their experience in running a small business, the focus was to investigate the awareness of these skills on behalf of their companies. The identified skills would then be linked to the employees that the companies wish to retain.

Inquiring about these skills, all the participants identified certain specific and non-specific skills they wish to retain. The three specific skills mostly identified by the participants as critical were people skills, technical skills and management skills. In addition, participants identified non-specific skills, such as skills that would assist with operational efficiency and skills that are scarce. All the participants indicated that skills are not the only attributes of employees to consider for retention. Other attributes of employees such as values, operating methods and organisational fit were volunteered as elements critical for retention. The top ten highest ranked attributes including skill, identified by the participants are presented in Table 2. The highlighted attributes are those other than skill. A full list of attributes identified as relevant for retention is included in Appendix B.

Table 2: Attributes identified as relevant for retention

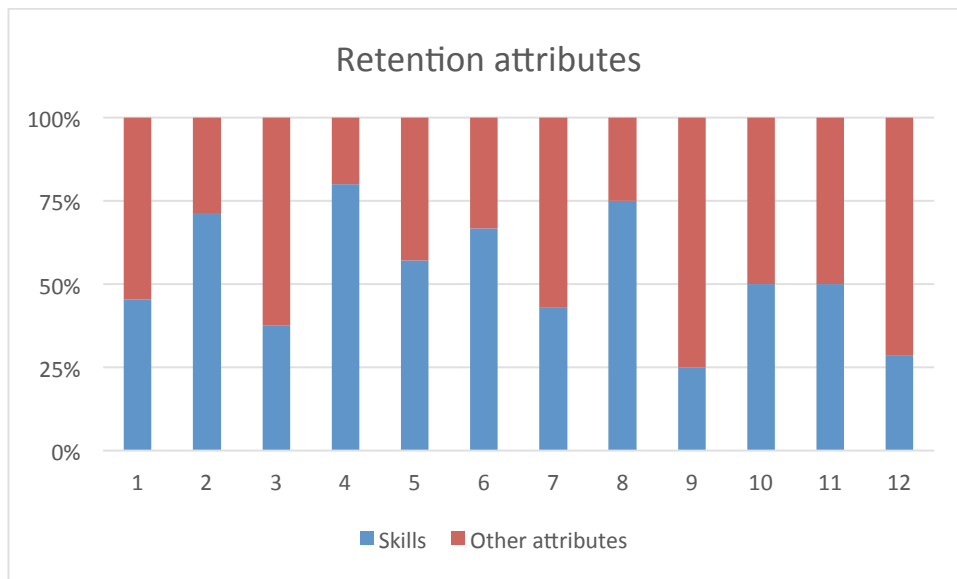
#	Attributes targeted for retention	Frequency	Rank
1	People skills	9	1
2	<i>Employee fit into small business environment</i>	9	1
3	<i>Flexibility in work environment</i>	7	3
4	<i>Ability to work in a team</i>	7	3
5	<i>Ability to be multi-skilled</i>	6	5
6	Technical skills pertinent to profession	5	6
7	Operational efficiency	4	7
8	Scarce skills	3	8
9	<i>Loyalty</i>	3	8
10	Management skills	3	8

People skills and employee fit into the small business environment ranked highest jointly. Thereafter having flexibility in the work environment and the ability to work in a team were ranked third jointly. Fifth was the ability to be multi-skilled, sixth was

technical skills pertinent to profession, seventh was operational efficiency and jointly ranked eighth were scarce skills, loyalty and management skills.

The results displayed in Figure 6 indicates the mention of skills versus other attributes of employees considered for retention by each participant.

Figure 6: Retention attributes of employees identified by participants



From Figure 6, all participants mentioned other elements together with skills targeted for retention. Five respondents identified other attributes rather than skill for retention purposes, two respondents equally weighed skill and other attributes, and five respondents identified more skills than other attributes. Illustrated in Table 2, when skill and other attributes were ranked according to frequency of mention, four of the top five attributes identified by the participants were attributes other than skill.

Owing to the value the participants assigned to attributes other than skill in their responses, as well as the study being exploratory in nature, these findings cannot be ignored and are therefore included in the reporting of data for this study.

5.5.1 Skills Identified as Essential to be Retained

Various skills were forthcoming from the interviews: people skills being the most prominent by far, followed by technical skills, operational efficiencies, scarce skills and management skills.

5.5.1.1 People skills

Nine of the participants indicated that people skills are critical to consider for retention. Employees “*need to have people skills*” according to restaurant participant six, they need to know “*how to deal with clients*” as per restaurant participant eight, ensure “*they are friendly to clients*” (veterinary participant) and be “*able to interact with people*” (car rent-to-purchase participant). As the physiotherapy participant pointed out, on an experience with an employee with little people skills: “*he was not a bad human being, but...he made patients uncomfortable*”. The three participants who did not mention people skills as critical to retain were those representing the two engineering firms and the mining technology firm. The employee numbers was not a differentiating factor of this result.

5.5.1.2 Technical skills pertinent to profession

From the sample group, certain technical skills were identified by five participants: “*technical sales*” by the engineering technology participant, “*physiotherapists*” obviously by the physiotherapy participant, “*technical (geological) skills*” by the geology participant and “*engineers*” or “*engineering*” by the mining technology and electrical engineering participants respectively. Three out of the five participants who mentioned this as a skill critical to retain, did not mention people skills as being critical. The number of employees in the companies represented varied, as was the case with people skills.

5.5.1.3 Operational efficiency

Four of the participants mentioned operational efficiency as critical for retention. This skill was common to the two restaurant industry participants. Participant six indicated skills that “*keep all the operations and processes together*” and participant eight “*someone who can organize a kitchen*” with regards to operational efficiency. In the electrical engineering industry it was “*site management*” and for the car rent-to-own company it was the person who “*runs our workshop*”. In all these cases, the participants indicated the necessity to produce output as quickly as possible. All of these companies had 19 employees or more.

5.5.1.4 Scarce skills

Three participants identified skills that are rare as skills they wish to retain. These skills were in the engineering and the geological industries. The engineering technology participant indicated that “*technical sales people are rare*”, with the geology participant explaining “*mainly because those (geological) skills are fairly limited within the South African context*”. Expanding this further, the electrical engineering participant stated: “*we’re sitting with a very, very small amount of technical people that are a) able to do the job and b) to become mentors of these people in our country*”. All three of these participants also identified technical skills. These three companies consisted of similar number of employees, ranging between 42 and 49.

5.5.1.5 Management skills

These skills were mentioned by three participants. Firstly, the audit-firm participant identified management skills as the “*most important skills, for us...audit managers and audit supervisors, and audit seniors*”. Secondly, in the case of the beauty industry participant, it was “*one manager who manages two branches, so she spends half day at one and half day at the other*”. Lastly, the engineering technology participant added management skill as critical to business as “*there was a level of obviously management skill, which is another thing, in small business which is difficult to get*”. Employee numbers for these companies where this skill was identified varied between seven and 48.

5.5.2 Other Attributes Identified as Essential to be Retained

The five attributes most commonly mentioned by participants were identified and include organisational fit, work flexibility, teamwork, multi-skilling and loyalty.

5.5.2.1 Employee fit into small business environment

Nine out of the 12 participants indicated that this attribute was critical when considering retention in small business. As the hospitality goods trading participant put it: “*there are individuals who perform well in a small company and there are individuals who won’t make it*”. The physiotherapy participant interpreted it as “*you have to fit in, we cannot be a maverick in this practice*”. Restaurant participant six referred to it as having “*the*

right mind set” and engineering technology participant summing it up as *“it’s not a corporate, you are not a number, in a small business, if they don’t feel part of it, they eventually leave”*. As per people and technical skills, these nine participants represented companies with employee numbers ranging from six to 49 employees. The three participants who did not mention this attribute were the audit-firm, veterinary and car rent-to-purchase participants, with varied numbers of employees.

5.5.2.2 Flexibility in the work environment

This refers to either the willingness of employees to work at different times, or in different positions, to what they were employed for, and mentioned by seven of the participants. For example, hospitality goods trading participant explained *“comes 5 o’clock, he’s not on the road, he’ll leave 6, half past 6”* and veterinary participant extended *“they work extra hours if need be”*. Regarding the positions, restaurant participant six mentioned *“I do believe your staff members should be able to work in different positions”* in case the managers need to step in when others are not at work. Mining technology participant added: *“the more senior guys, they’ve had to be incredibly flexible, because the work that they were doing a year ago, and the work that they are doing today is different”*. Car rent-to-purchase participant found that *“a lot of people end up doing different jobs to what they have been employed for”*. Participants who did not refer to the work flexibility factor were the audit firm, engineering, technology and geology participants. Restaurant participant eight was the other participant not mentioning work flexibility. Employee numbers were varied between those who mentioned as well as those who did not mention this factor.

5.5.2.3 Ability to work in a team

Seven participants mentioned this attribute. It is critical to some, such as restaurant participant two: *“the key for me is teamwork, I can’t run an operation unless I have a team”*. Car rent-to-own participant felt strongly about this ability by voicing: *“they could be the best technical skills, but if they can’t work in a team, I don’t want them”*. In the context of running a business with several physiotherapists, the physiotherapy participant mentioned: *“I don’t like interviewing people who have been in the professional realm for a long time, because they have their own ideas...they’ve had the opportunity to make up their minds about certain other things and they are not team players”*. It is vital to the electrical engineer participant who stated: *“we work as a team,*

we hunt as a pack". Included in those who did not mention this factor were the engineering participants and the audit-firm participant. Again, employee numbers varied for both those who mentioned this skill as well as for those who omitted it.

5.2.2.4 Ability to be multi-skilled

This factor was identified by six of the participants. In a small business, staff need to have the ability according to audit-firm participant where *"knowledge is more spread"*, or as per geology participant: *"you need to have lots of different skills – soft and hard skills"*. In the case of hospitality goods trading participant it meant *"selling skills with a hospitality background or sort of chef background, that type of thing"*. For the engineering technology participant it was *"technical sales guys who understand a product, who can grasp the concept, sell it to somebody and do the delivery, design and continually thinking of new areas to put the product into"*. This attribute was mentioned by participants from a variety of industries and varied in employee numbers.

5.2.2.5 Loyalty

Three participants identified this attribute. These participants had different perspectives of loyalty. The veterinary participant explained it as *"loyalty, in that they think of the business first, represent the practice in a professional way"*. The hospitality goods trading participant prioritised this as *"firstly, loyalty, putting the hours in, workwise, and being consistent"*. The geology participant described it as *"I think loyalty is part of that brand, obviously, if people are loyal to you, it's a preventative measure to movement, because you never know whether you are going to find a boss you like again"*. The participants who identified loyalty were from a variety of industries and varied in numbers of employees.

In summary, the findings relating to the first research question indicated that participants did not consider critical skills in isolation for retention. Even though there was agreement among participants on certain skills that were critical to business, each participant had added other attributes as critical for retention. As was seen in Figure 6, skills and other attributes carried approximately equal weighting for retention among the participants.

With the exception of people skills, ranked the highest by the participants, attributes other than skill, such as small business environment fit, flexibility, teamwork ability and multi-skilled ability were ranked higher by the participants than technical skills pertinent to profession. People skills were not nominated by participants who identified technical skills – the three participants who did not identify people skills as critical all mentioned technical skills as critical. Attributes other than skill were considered critical across different industries. Technical skills and scarce skills were industry specific, dominated by participants from engineering and geology industries.

5.6. Employee Motivators that have an Impact on Retention

How do small businesses perceive what motivates employees with critical skills, to stay with these businesses?

This question explored the awareness of small businesses with regards to what motivates individuals, who possess the skills identified in research question 1, to stay with these businesses (research question 2 and interview guide questions 3 and 4). Once small businesses have identified the skills and other attributes that they wish to retain, they need to understand what motivates employees to stay in order for retention to occur. This research question aimed to determine small business perception of the motivators for employees to remain with the businesses.

The data revealed that “*there are skills sets that are motivated differently*” as per mining technology participant, while restaurant participant eight added “*they are both motivated – in my opinion – by different things*”. These statements are evident in the number of motivators identified by the participants: 25 in total, as well as the diversity in the responses, with 11 perceived motivators being mentioned only once. In Table 3 is displayed the top ten employee motivators identified and perceived by the participants, the full list of motivators identified is included in Appendix B. As is evident from Table 3, top motivators include a combination of the following: financial, communication, happiness, owner involvement, development, trust, respect, inclusion, promptness and work challenge.

Table 3: Employee motivators as perceived by small businesses

#	Employee motivators identified	Frequency	Rank
1	Financial benefits and incentives	12	1
2	Communication with leaders	11	2
3	Happy with work and in the work environment	9	3
4	Owner is involved in everyday business	8	4
5	Personal development	8	4
6	Trust from management	7	6
7	Respect from seniors	6	7
8	Feeling included in the business	6	7
9	Management attending to problems promptly	6	7
10	Having a challenge	4	10

For each motivator voiced, there was little commonality with regards to industry or number of employees among the participants who identified those motivations. No clear link could be established between any of the motivation factors and the contexts of the participants. Each of these top ten motivators are discussed next.

5.6.1 Financial Benefits and Incentives

All participants perceived this factor as being a motivator for employees to remain in their business. From remuneration, as per the veterinarian: *“salary is obviously quite a large contributing factor”*, to benefits like the audit-firm participant indicated: *“refunded their university fees - if they pass 50% or more of their subjects they’re writing”* and *“everybody is involved on a bonus scheme”* from the electrical engineering industry. Some participants indicated that they were paying their critical staff higher salaries than industry norms. For example, the participant from engineering technology mentioned: *“guys like that, at that level, you price them out the market”*, the participant from the beauty industry: *“we pay her really well, so we pay over industry standard”* and the physiotherapist *“I think I’m the highest paying boss”*. Others, such as the participant from the geology industry, paid salaries aligned with industry standards: *“obviously, salaries have to be in line with industry norm”*; as well as the audit industry participant: *“we pay him market related salary”*. The electrical engineering participant was the only participant who indicated that they were paying below the industry norm, but added that

“they are not being paid badly either” and “the better we do, the more we pay”. A variety of ways of financial motivation were indicated by the participants. For example, the engineering participants indicated that even in the same industry, they have different approaches as to the determination of the fixed portion of financial benefits.

5.6.2 Communication with Leaders

All participants, except the hospitality goods trader, indicated that communication between management and staff is a motivator for employees to stay. The audit-firm participant stated: *“some of them joined us from another firm and they say ‘gees, nobody talked to us before’”*. The restaurant industry participants number six and eight respectively concurred: *“you’ve got to communicate effectively with all your staff”* and *“we talk, we communicate a lot”*. The veterinarian participant mentioned *“I just always think communication is a better option, rather too much than too little”*. The physiotherapy participant pointed out *“you interact with them – you have to interact with them”*. It was explained by the electrical engineering participant as *“we know and we discuss, we talk”*. The car rent-to-purchase participant added *“I always phone him, ask him ‘how’s it going’ ‘what’s going on with your team’ you know, he likes that. He speaks his mind”*. The engineering technology and geological participants explained respectively: *“you interact with them, you know what they are looking to do”* and *“speaking to people, if you think somebody is unhappy, find out why – earlier rather than later – if you want to retain them of course.”* Communication was vital to most participants who emphasized the need to interact with employees.

5.6.3 Happy with Work and in the Work Environment

Nine out of the 12 interviewees mentioned this factor to be motivating employees. *“I think they are happy that they are comfortable”* the audit-firm participant indicated. For the engineering technology participant it is because *“it’s a family environment”*. The physiotherapy participant revealed people stay because *“there’s a good vibe, people are happy”*, the electrical engineering participant mentioned: *“we keep small and we have fun and when we wake up in the morning, we are pleased to come to work”* and the car rent-to-purchase participant indicated *“he is enjoying his work”*. The three participants who did not identify this factor as a motivator for employees to stay are the ones in veterinary and mining technology industries, as well as restaurant participant

eight. An awareness of trying to keep employees happy was common amongst the nine participants who identified this motivator.

5.6.4 Owner is Involved in Everyday Business

This factor was perceived by eight of the participants to be a motivator for employees to remain with their businesses. As the mining technology participant indicated *“we go up there a lot, we’re checking on them and we’re helping them, and we’re doing things”*. The engineering technology participant argued *“You can’t hide, you can’t sort of sit back for a week because you are having a tough time at home”*. Being involved in all aspects of the business was mentioned by participant six of the restaurant industry *“your staff needs to know that you can do everything”*, the hospitality goods trader *“I also believe that whatever I ask my staff to do I must be able to do”* and the geology participant *“I can do every job in this company”*. As some participants reasoned, when employees see them involved in the business, they feel a sense of purpose, considering if it is important for the owner to participate, the work must be important and there must be a purpose. Restaurant participant six believed that if she, as the owner, can show she knows how to perform the duties of her employees that they would see it as a challenge and it would motivate them to perform.

5.6.5 Personal Development

Eight participants perceived this as a motivator for employees, with skills critical to their business, to stay. For example, the car rent-to-purchase participant explained that *“he listens, and that’s what’s good about him, and he wants to do better... he’s learning the skills on how to manage people”*. The physiotherapy participant believes that when he says *“I want you to do a master’s degree, and I’ll pay for it”* employees are motivated, as he has seen five employees through master’s degrees in his 17 years of experience. The engineering technology participant believes that *“you retain them through training”* and referring to a particular individual by mentioning *“we kept him constantly interested by developing his skill”*. Personal development was identified as some form or another by each of the eight participants, indicating the need for employees at those skill levels that are critical to the business, to develop.

5.6.6 Trust from Management

Seven respondents believed that trusting employees to perform their duties motivates those employees. Examples given by participants were: audit-firm participant “*we don’t hover over their heads to see what they are doing*”, similar by engineering technology participant “*you don’t stand over a guy and watch him*” and mining technology participant explained “*he doesn’t need to be micromanaged...we’re happy with him*”. Restaurant participant eight shared an experience in this regard “*I’ve reached a stage where I never call her...for example yesterday I did not speak to either of them, and she mentioned something about ‘I like that’* “. Geology participant elaborated by noting “*to a certain extent he is his own boss - that’s what keeps him in the job*”. Some respondents added, they would notice in their performance, whether employees are performing their tasks, and micro management was therefore not needed.

5.6.7 Respect from Seniors

The way employees are treated motivates them to stay, according to six of the participants. Audit-firm participant illustrated: “*we are very patient with people, we give them leeway...but there is no ugliness about it, it’s not personal, we don’t get personal*”.

Restaurant participant nine shared a conversation she had with one of her employees indicated (the employee received a better salary offer elsewhere): “*have you seen that guy? He will yell at me every day, and scream at me, I’ll hate going to work*”. The company of the electrical engineering participant was an off-spring from a larger company, he gave an example by comparing respect with the treatment of the larger organisation to theirs: “*because they’ve seen that the way that they are treated here, the way the business runs is totally different*”. Car rent-to-purchase participant summed it up by saying “*you need to talk to people the way you want them to talk to you*”.

5.6.8 Feeling Included in the Business

Six participants mentioned employees are motivated when they are included. For example, engineering technology participant believed that “*part of the retention is you spend time as a business owner or as a senior person in the business, with them, so that they feel included in it. You can’t tell them everything, but you know, they feel included*”. Another example of inclusion was given by veterinary participant with

regards to training “*I have always tried to include the kennel staff*”. Electrical engineering participant explained it as part of the decision making process: “*all the management, all the B management and all the guys, we bring them into this decision and we share with them*”. Inclusion took on a variety of forms and participants who identified this factor had consensus that employees need to feel included in some form or another in the business for them to be motivated.

5.6.9 Management Attending to Problems Promptly

Identified by six participants, thus equally common amongst participants as respect and inclusion, was the ability of management to attend to problems as they arise. The overall reasoning behind this from the participants was to keep employees happy and content. As engineering technology participant confirmed “*you know them and because you can make a decision like that (clicking fingers)*”. Veterinary participant argued “*I deal with it as soon as I can because if you leave, for me, it just gets worse*”. Electrical engineering participant explained being in a small company to a larger one as follows: “*our comparison that I make...is that we compare ourselves as a rubber duck...(to) a super oil tanker*”, where he explained that a rubber duck can turn around within seconds and an oil tanker can take hours.

5.6.10 Presented with a Performance or Mental Challenge

Four of the participants identified having a challenge as a motivator for employees to remain in their businesses. Each of these participants gave this motivator in the context of either a performance or mental challenge. Restaurant participant six mentioned that she “*push them a little bit*” and the hospitality goods trader said “*you need to keep that pressure constant*”. Engineering technology participant was confident that his key employees enjoy this, because “*they are being pushed inside their comfort zone, but they feel comfortable in it*”.

In summary, as was evident from the participant comments highlighted in this section employees are motivated by a variety of motivators. Financial motivators were acknowledged by all participants, both salary and other added financial rewards were identified. Majority of the participants agreed that through interaction with employees, and being involved with the everyday business, the owners observed employee happiness and ranked these three highly as motivators for employees to stay. The

results showed that motivators with regards to the way employees were treated in business have been identified. These included respect and trust, as well as an acknowledgement by participants that employees were motivated when they were given the opportunity to develop. The small business context was shown as an advantage by participants for allowing management to attend to problems quickly.

5.7. Practices by Small Business to Retain Skills

Once the motivators are identified, how do small businesses use the employee motivation awareness, to influence retention of employees with critical skills?

This question sought to gain insight into how the motivators identified in research question 2 are utilised by small businesses in retaining the employees possessing the skills identified in research question 1 (research question 3 and interview guide questions 5 and 6).

The aim of this research question was to understand how the companies that were included in this study, influence certain employees to stay. From the responses, some participants pointed out that they did not wish to stand in the way of employees leaving, but for those employees that have skills critical to their company, they acknowledged that they provided certain incentives that would make it attractive enough for those employees to stay. As the mining technology participant put it: *“he is free to leave, but he is incentivized to stay”*. Participant eight from the restaurant industry conveyed to one of her managers: *“I want to keep you, and I value you very much as an employee, but I am not going to inhibit your career path”*. Realistically, the engineering technology participant stated *“look, people come and go, circumstances change, this happens”*, and the veterinary participant summarised it by mentioning *“If they are unhappy and that they want to go, or they want to go further for any particular reason, I would like to know the reason, and to know that it is not for something that we have or have not done”*.

Besides the basic expectation of remuneration which was analysed under motivators in Section 5.6, the participants identified a total of 16 specific actions to increase the possibility of retention. The elements identified varied between the participants. The highest ranked factor was identified by eight of the participants. A list of the top eight actions common to the participants is presented in Table 4. The most prevalent action

employed by participants to motivate identified employees to stay, involved a personal interest in the employee. The next five actions all had an equal weight, ranking in second position, namely, time flexibility, the way that the company acts in terms of fairness and openness, an open-door policy, providing platforms and structures and 'small things'. The results for the top eight organisational actions to influence retention are disclosed next.

Table 4: Organisational influences to motivate employees to stay and be retained

#	Organisational influence identified	Frequency	Rank
1	Taking a personal interest in employees	8	1
2	Time flexibility	6	2
3	Fairness in workload and reward	6	2
4	Open-door policy	6	2
5	Providing structure	6	2
6	Small things	6	2
7	Voicing platform	4	7
8	Being open with employees	3	8

5.7.1 Taking a Personal Interest in Employees

Eight out of the 12 participants mentioned having a personal interest in employees as an action taken by themselves. This was best explained by car rent-to-purchase participant as *"you've got to get to know them, you've got to get close to the people to understand them"*. As the participant from engineering technology justified it: *"nobody wants to work for somebody who they feel doesn't care about them"*. Audit-firm participant revealed *"guys come to us on a personal level"* and veterinary participant mentioned *"most of them I've got to know them, I know their moods, and so on"*. Physiotherapy participant explained you need to *"be sensitive to them"*, whereas geology participant gave the example of *"I go up to see the guys on site maybe once a month, take them out"*. Restaurant participant eight mentioned she needed to show an understanding when employees say *"I have to go home, my child is sick"*. The four participants who did not identify this as an action taken to influence motivation were restaurant participant six, the participants from mining technology, electrical engineering, and beauty industry.

5.7.2 Time Flexibility

Allowing employees to have flexibility in their working hours was identified as an influencing action for motivation by six participants. Audit-firm participant specified that *“people who perform as well, can go any time they want and come any time they want”* and veterinary participant indicated that employees *“need to be able to have their boss being flexible in terms of taking children to doctors and that kind of thing”*. Geology participant mentioned that he is aware that one of his key employees values that immensely and *“is one of the key factors that keeps her from going elsewhere”*. For mining technology participant this means *“don’t come in at 8, come in when you are ready”*.

5.7.3 Fairness in Workload and Reward

Six participants identified fairness as an influence to employee motivation. Restaurant participant two mentioned *“you need to understand they’ve also got problems, they come to work, and we are very fair on the staff”*. The audit-firm participant made similar comments: *“if we put four people in one level and they start, after two years this one is earning 20% less than that one, and this one is 40% more”*. This participant provided a reason for this seeming discrepancy: *“...because it depends on what level of work they are and level of exam passing they are and attendance they are, they earn different salaries”*. Geology participant said *“it’s always been ad-hoc and it’s always been if they’ve done a good job. So, some people will get and some people won’t”*. Electrical engineering participant concurred: *“if we make extra profit...it is only fair that everybody that contributed to that profit, they get...their part”*. In managing his physiotherapy practice, fairness was referred to by this participant as *“everyone’s got a heavy patient load, but I try and distribute it equally between everyone”*. Coming through the conversations where fairness was mentioned, was whether it is monetary or otherwise, rewarding employees for the work they are doing should be fair. If it is fair, employees should be motivated to stay.

5.7.4 Open-door Policy

Having an open-door policy was identified by six participants as an influencer of employee motivation. Veterinary participant believed this is indicated by saying *“I think most of my staff address issues with me as they come up”*, likewise for car rent-to-

purchase participant indicating *“if he’s not happy he will tell me.”* Open-door policy means *“when they’ve got a problem, they’ve got somebody to go to”* for electrical engineering participant. Linking it to relationship, beauty-industry participant mentioned *“she can also chase us on things, if she’s asked us to do something and we’re lagging, she then pushes us and ‘where’s this’, ‘I need...’ or whatever. We have that kind of open relationship”*. All the participants who identified this influencer inferred that by having this policy, they believe employees are more willing to interact. From the conversations, it was interpreted that when employees interact with the participants on this basis, awareness is created by the participants of whether employees were happy and therefore willing to stay.

5.7.5 Providing Structure

Structure was another factor mentioned by six participants as an employee motivation influencer. Gathered from the conversation with physiotherapy participant, structure is needed, even in a small business, you need to have rules - otherwise it would not work. Geology participant mentioned *“good structure and good management...it’s also important”* and mining technology participant pointed out *“all of our structures, our paperwork is in place, our legal stuff is in place”*. Beauty industry participant indicated her partner *“has a gazillion systems in place”* and believes *“everybody needs boundaries”*. Forthcoming from the conversations with some of the participants identifying this influencer, was that employees experience a sense of organisation with a purpose.

5.7.6 Small Things

Six participants believed that small things influence employee motivation. For example, physiotherapy participant mentioned *“like right now I’ve got gift vouchers for the whole team”*, geology participant gave the examples of *“when people get married, to make sure the presents are chosen correctly...and birthdays and all the rest of it”*. Restaurant participant eight sees it as *“little things, ‘my company sends me on training’ or ‘I get two days off a week, and not one day off a week’ ”*. Engineering technology participant believes that *“those little things count immensely and if you spend time doing those things, you don’t have to spend money retaining the skill”*.

5.7.7 Voicing Platform

Having a platform in the form of regular meetings was identified by four participants. Having this platform allowed addressing certain issues regularly by “*ask about how they feel, have they got any issues, anything they need to add, any suggestions to improve things and how’s their work*” according to audit-firm participant. Veterinary participant mentioned “*we do that regularly, every six to eight weeks, because tensions build up very easily when there are a number of people working together*”, whereas car rent-to-purchase participant indicated that they “*have a management forum*”.

5.7.8 Being Honest with Employees

Three participants mentioned honesty as an influencer. The audit-firm participant explained that they were honest because “*at least they know where they stand, ok? And they don’t come to five years, and they are not signing their contract, because we tell them you are no good – they know*”. The restaurant participant six explained: “*you need to have that open relationship...we work together all the time*”. Physiotherapy participant indicated being “*quite explicit, and I think you have to be explicit*”.

To summarise, the top eight ranked influencers showed some similarities in actions taken by small businesses to influence employees with attributes critical to their businesses to remain with the business. The participants showed similarity in their responses, by identifying influences that address personal aspects of employees. When organisations show humanity by taking an interest in employees, attending to the small things and treating employees with fairness and honesty, participants believed would influence employees to stay. According to participants, organisations should provide opportunities for employees to voice any concerns or opinions, both on a general level (like voicing platforms) and on a personal level (like open-door policy).

5.8. Other Factors that Influence Retention

What other issues, inside as well as outside of the organisation, influence the retention practices of small businesses?

This question aimed to identify issues outside of the small business control that have an influence on retaining the skills critical to small business (research question 4 and interview guide question 7). This research question allowed participants to comment on

any issues not addressed in the first three research questions, relating to the retention of skills critical to their businesses. This allowed greater insight into the context of their businesses.

The comments received regarding other issues influencing retention were few and diverse. One participant added no further comments, to the ones previously stated relating to the first three research questions. The remaining participants each identified between one to five additional issues. A total of 13 issues were identified. As the frequencies were low, only the top three common themes identified are discussed. The top three themes relate to the small office setup, emigration and the state of the economy – the rankings are reflected in Table 5. The full list of other issues influencing retention is reflected in Appendix B.

Table 5: Other issues perceived by participants as influencing motivation

#	Other factors influencing retention	Frequency	Rank
1	Small office setup	5	1
2	Emigration	4	2
3	State of economy	3	3

5.8.1 Small Office Setup

Five respondents mentioned that having a small business setup was one of the aspects that influence motivation and, in turn, retention. Two participants considered that the number of employees they have made a difference in their relationships with employees. According to mining technology participant “*in small business, with 30 of us, we can manage it*”. Likewise, restaurant participant eight commented “*I think it’s different in a much larger organisation, if you’ve got 20 managers you can’t get to know them the way I have got to know my two managers*”. Veterinary participant mentioned that “*being in a small office, also physically close...you do interact with people*”. Restaurant participant six elaborated by pointing out “*the relationships are more personal, I think that you get to know your staff a lot better, I think there’s not that disconnect between senior and junior*”. The physiotherapy participant gave similar comments. These comments were made by participants with employee numbers between six and 30, in various industries. The location of four of the interviews with

participants who identified this aspect, employees were in visual and in close proximity. Open spaces were shared, like the restaurants and the physiotherapy practice.

5.8.2 Emigration

Emigration was identified by four participants as a reason influencing retention that is outside of the control of the participants and their businesses. Audit-firm participant mentioned *“we lost lots of partners because of emigration”*. The physiotherapy participant indicated that he had lost one of his therapists and that *“she was an excellent physio, and she left because she has emigrated”*. Engineering technology participant, who identified scarce skills as critical to his business stated *“the amount of skill available in the market, it is pretty obvious guys have left...and it is a big problem, it’s a massive problem...I mean emigrated”*. In similar fashion, electrical engineering participant commented that *“there’s been a huge outflow of technical people out of this country”*. The emigration factor was not industry or employee number specific.

5.8.3 Economy

Retaining skills critical to small business could be affected by the economy according to three of the participants. On the one side, businesses would not be able to afford certain skills as veterinary participant explained *“the downturn...(if) the profit margins is much reduced, so obviously where there would come a point where if turnover dropped below a certain amount, I would have to look at retrenching”*, and on the other side as geology participant voiced: *“I think at the moment, the fear of losing their jobs keep people in this industry, just fear of the unknown, fear that you would just not get another job in South Africa.”* Another view, from the mining technology participant, is *“it’s a security thing that holds you...and it’s the economy if I think about it, if the economy is buoyant and successful, people bounce, if the economy is depressed, people hold on to their jobs”*.

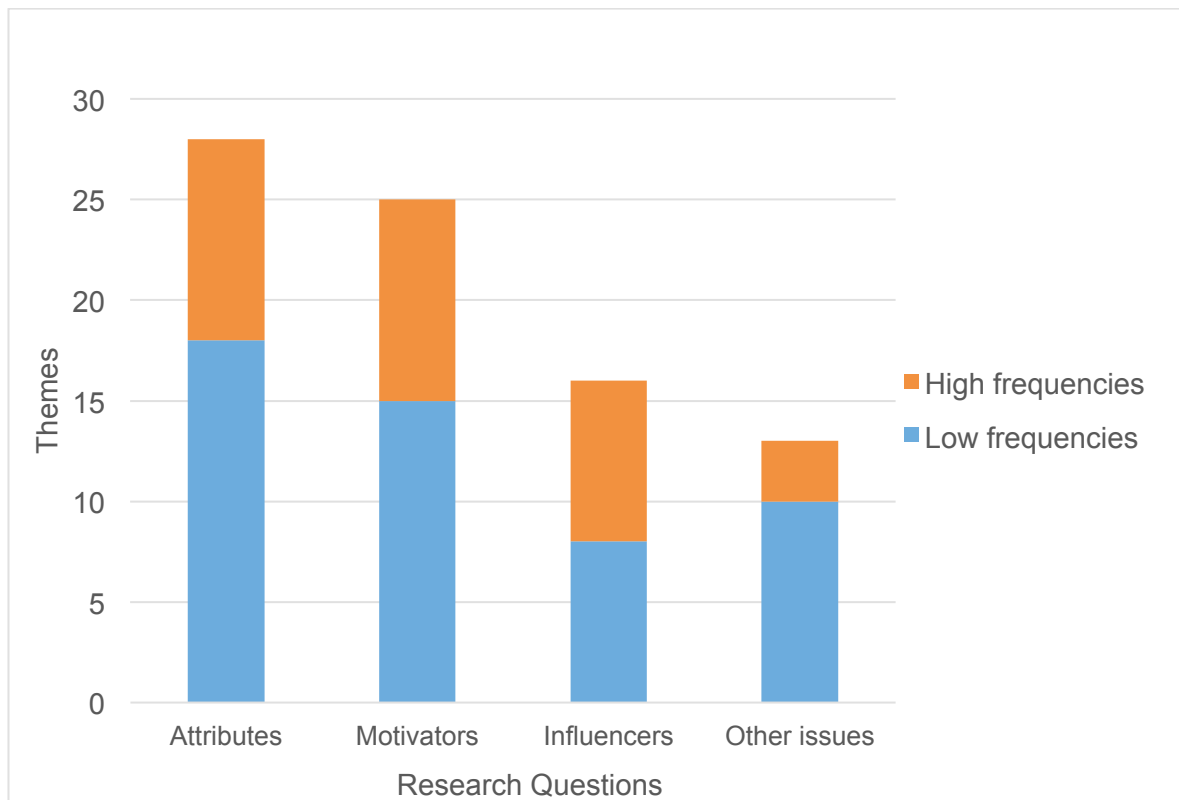
In summary, only three other themes emerged. Firstly, having a small office setup was seen as a positive by the participants as they explained managing a smaller number of employees is easier than in larger organisations. Another advantage was identified as being physically closer to employees as it would enable the small business owners to establish a closer relationship with employees. Secondly, emigration was identified as a negative issue that prevent certain businesses to retain their employees. Lastly,

economy was identified by three participants. If the economy is down, employees don't want to risk losing their jobs while on the other hand, organisations might not be able to afford to keep employees.

5.9. Conclusion

The results displayed in this chapter can be summarised as per Figure 7:

Figure 7: Themes identified per research question



The number of themes per research question are reflected in Figure 7. The themes with the highest frequencies were detailed in this chapter and the themes with low frequencies were included in Appendix B. A total of 28 employee attributes were identified as critical for retention and the top ten results were detailed. For research question two, 25 perceived employee motivators were identified, the results of the top ten motivators were featured. In closing, the top three other issues influencing retention were considered. In Chapter 6, the results revealed in this chapter will be discussed.

6. CHAPTER 6: DISCUSSION OF FINDINGS

6.1. Introduction

In this chapter the findings presented in Chapter 5 are discussed and linked to the literature that was reviewed in Chapter 2. Insights are presented for each of the four research questions identified in Chapter 3, through the findings obtained from the in-depth interviews and the existing literature. The themes as presented in Chapter 5 are compared to the reviewed literature, highlighting commonalities and differences.

6.2. Skills Critical to Small Business

What do small businesses consider as skills critical to their business?

The first research question aimed to identify what skills small business owners deem as critical to their businesses. This information was required to identify human resources skills small businesses would prefer to retain. In Chapter 5, skills critical for retention were expanded to attributes critical for retention as was forthcoming from the findings. Therefore, the discussions following for the findings are addressed firstly relating to skills and followed by other employee attributes.

6.2.1 Skills Critical to Retention

The skills discussed in this section refers to the five skills included in the top ten attributes identified in Table 2 and are discussed in order of rank. Firstly, people skills are discussed, followed by the technical skills pertinent to a profession. Thereafter the discussion moves to operational efficiency and scarce skills. Lastly, management skills are addressed.

6.2.1.1 People skills

The top-ranked critical skill and attribute was deemed to be People Skills, mentioned by nine participants. It appears that the need for people skills is the most prevalent one required in small business. Participants indicated that employees with people skills should be able to interact with people, be friendly, and provide a level of comfort to people during interaction. These findings are in line with the emphasis business

executives placed on soft skills, which included people skills. Robles (2012) observed that soft skills (which include people skills) were equally salient to hard skills. The author described people skills as interpersonal skills, and found that executives rated interpersonal skills among the highest required for employees to possess. Cai (2014) concurred that skills relating to human relations are critical.

6.2.1.2 Technical skills pertinent to the profession

The critical skill that ranked second and the attribute that ranked sixth was technical skills pertinent to the professions represented by the participants. In the context of engineering technology, it was the ability to understand the technicality needed for sales. Engineering skills were identified by the mining technology participant as well as the electrical engineering participant. Technical skills were physiotherapy skills for the physiotherapist and geological competencies for the geological participant. Chell (2013), Baptista et al. (2013) as well as Andries and Czamitzki (2014) observed that certain skills are context specific. The technical skills forthcoming from this study were context specific. The findings reflected that three of the five participants who identified technical skills as critical did not identify people skills as critical, contrary to the findings of Cai (2014), for example, who rated people skills as vital. From the findings, it seems that participants rank four other employees attributes above technical skills, as critical to business when considering retention of employees.

6.2.1.3 Operational efficiency

Operational efficiency was third in frequency ranking for skills and seventh in the frequency ranking of attributes, identified as critical for small business. One third of the participants voiced efficiency in their operations as critical to their business success. Considering the context as explained by participants who voiced this skill as critical (restaurant, workshop division of the car rent to purchase business, and the manufacturing division of the engineering technology industry), this skill also seems context specific.

6.2.1.4 Scarce skills

Scarce skills and management skills carried equal weight, ranked jointly the fourth highest critical skills required and overall jointly eighth in attributes identified from the

findings reported. Participants who identified scarce skills as being business critical, showed concern with lack of availability of these skills in South Africa (Section 5.3.1). The Department of Higher Education and Training (DHET) (2014) identified six engineering related skills amongst the ten scarcest skills. The findings are in line with the DHET list of skills as both engineering participants mentioned engineering skills being scarce and critical to their business. The third participant mentioning scarce skills as critical was the geology participant. Geological skills did not rank in the top ten scarcest skills in South Africa, as identified by the DHET. In this case the finding of geological skills being critical is not supported by literature. Geological skills might be more critical in a small business context than in the South African context. Scarce skills seem to be industry specific.

6.2.1.5 Management skills

The management skills identified were managing either a team or operations. According to the participants, managing a team would require human skills and managing operations would require technical knowledge as well as conceptual skills, in order to solve problems. These points raised by the participants are supported by the description given to skills essential for management development by Cai (2014). His study identified the management skills as those relating to human relations, the ability to filter information in order to solve problems and skills needed to address technical factors. It could be argued that people skills, technical skills and operational efficiency skills are incorporated in management skills at a basic level, as he referred to these three skills as “basic” in the management context.

In summary, of the top five skill-related attributes discussed, people skills were vital to the businesses of the small business participants. It was found that technical skills, operational efficiency and scarce skills were context specific, as can be expected from literature. Operational efficiency was critical for both restaurant participants, the electrical engineering participant with regards to a site and the car rent-to-own participant referring to a workshop. Literature supported the value of operational skills. It was found that management skills were essential to three participants, supported by the description of management skills forthcoming from the data from this study and existing literature, which includes “technical, human and conceptual skills” (Cai, 2014, p. 209). It was noted that management skills – ranked fifth – could therefore incorporate some aspects of the top four skills discussed. With the low frequencies

obtained for skill-related attributes, with the exception of people skills, skills were not valued as highly as the other attributes identified by the participants. Other attributes are discussed in the next section.

6.2.2 Other Employee Attributes Critical for Retention

Out of the top ten critical skills and attributes identified, five were attributes other than skills critical for small businesses. Four of the top five critical elements for retention were attributes other than skills (Table 2). Other attributes include fitting into the organisation, being flexible in the work environment, the ability to work in a team, having the ability to be multi-skilled and being loyal. Each of these factors are discussed next.

6.2.2.1 Organisational fit

Organisational fit had the highest frequency count out of the top five other attributes and in joint first position with people skills. Nine of the 12 participants identified employee fit into the company environment as vital for retention. Literature identified organisational fit as one of the motivating factors for employees to remain with organisations (Odom, 2013). Prati and Zani (2013) found the possibility of retention increased when employees experienced a connectedness to the organisation. Both studies viewed organisational fit from the perspective of employees. When retention is contemplated by organisations, fit was not voiced by organisations in literature reviewed as one of the attributes to be considered for retention. It could be argued that greater priority is given to employee fit in retention efforts by the small business participants.

6.2.2.2 Flexibility in the work environment

Flexibility in the work environment was ranked the second highest attribute together with ability to work in a team as a consideration for retention, and was voiced by seven participants. Participants explained flexibility by referring to employees being flexible in working hours and flexible in deviating from appointed duties. None of the existing literature referred to in Chapter 2 addressed employee flexibility as a consideration for retention. Since flexibility provides small businesses with a competitive advantage (Hatten, 2012, p. 11), it follows that flexible employees could add to the flexibility of

small businesses hence the attribute being identified by more than half of the participants.

6.2.2.3 Ability to work in a team

Ranked equally vital than flexibility, the ability to work in a team was another attribute mentioned by seven participants for consideration for retention. Comments from participants such as “*they could be the best technical skills, but if they can’t work in a team, I don’t want them*” and “*I can’t run an operation unless I have a team*” suggested that employees should have the ability to work in a team. No literature was forthcoming for the ability to work in a team in the small business context. As small businesses consist of fewer than 50 employees (Republic of South Africa), being in proximity of each other could be the reason for the participants having highlighted this attribute.

6.2.2.4 Ability to be multi-skilled

Ranked fourth in attributes, six participants mentioned being multi-skilled to be considered for retention. Hatten (2012, p. 24) found that in the small business context, managers need to be multi-skilled. If managers are expected to be multi-skilled it is possible that the same expectation applies to key or all employees. Since the participants identified employees as being multi-skilled as a critical consideration with regard to retention, this finding is aligned with the study of Hatten, but extends beyond managers.

6.2.2.5 Loyalty

The attribute ranked fifth as critical for retention was loyalty, identified by three participants. This finding supports the argument that small business specifically, due to the small number of employees, would benefit from loyal employees (Darcy, Hill, McCabe, & McGovern, 2014). Perhaps small business having limited resources, as argued by Ghosal and Ye (2015) in their study relating to training in small business, small business owners could consider loyalty vital.

From the discussion regarding attributes other than skill that were considered by participants for retention, organisational fit seems the most critical. Current studies focused on fit as a motivator for employees rather than organisations considering fit in

retention efforts. Flexibility, working in a team, being multi-skilled and loyalty were identified as essential in the small business context, aligned with literature on small business.

Having considered employee skills and other attributes critical for small business employee motivators in small business needs to be understood. Findings of perceived employee motivators are discussed next within the context of existing literature.

6.3. Employee Motivators Impacting Retention

How do small businesses perceive what motivates employees with critical skills, to stay with these businesses?

The purpose of the second research question was to gain insight into how small businesses perceive through the experience of small business owners, employee motivators that impact retention. Understanding employee motivators would determine how organisations influence motivators through certain practices, was explored in the third research question.

The findings of this study revealed a diverse number of employee motivators as perceived by the small business participants. Existing literature supports the finding that individuals are motivated by having certain needs met, and there are various levels of needs (Maslow, 1943; Maslow, 1954; Maslow, 1967; Skelsey, 2014).

In this section, the top ten motivators identified in Chapter 5 are discussed within the context of the literature. The discussion commences with the highest ranked motivator being financial benefits and incentives, followed by communication with leaders as a motivator, ranked second. Thereafter happiness with work and work environment is addressed. Owner involvement is discussed and the personal development findings are compared to literature. A discussion follows for each of the latter half of the top ten motivators, namely management trust, respect from seniors, feeling included in the business, management attending to problems promptly and having a challenge.

6.3.1 Financial Benefits and Incentives

All respondents agreed that financial benefits are motivators for employees to stay with the business, being the most prevalent employee motivator identified by the participants. This finding is in line with the first two basic levels of needs identified by Maslow (1943), namely physiological and safety needs. As was forthcoming from the findings, organisations have to meet the very basic need of employees which is to earn a salary. In addition, participants identified other financial benefits like those related to performance or achievements. Once the financial aspect of employment is met, employees should feel secure enough to consider other motivators to stay within business. Findings also showed that only one participant indicated that his company pays salaries below market levels, but added that there are other performance related financial rewards. This comment by the participant could be an indication of small businesses having to be innovative in managing their resources (Hatten, 2012, p. 13).

6.3.2 Communication with Leaders

Ranked the second highest, mentioned by 11 of the 12 participants, the findings of this study showed that the small businesses participants believed regular interaction in the form of communication, motivates employees to remain with the business. None of the literature discussed in Chapter 2 indicated that communication with leaders is a motivator for employees to remain within the business. Mignonac and Richebé (2013) argued if companies do not meet needs of employees with sincerity, retention efforts could fail. It could therefore be argued that by communicating and interacting regularly with employees, shows transparency and openness, indicating a sincere interest in employees and their work by the organisation, which in turn motivates employees to continue to perform their duties and remain in the organisation.

6.3.3 Happiness with Work and in Work Environment

Employees being content with work, and in the work environment was identified as a motivation factor by nine of the participants and ranked third. The findings of this study showed that the participating small business owners believed that employees are motivated when they feel happy and comfortable within the work environment. These small business participants believed having a close or family-like environment adds to the happiness experienced by employees. Part of the eight motivational forces

framework of Maertz Jr and Griffeth (2004) that motivate employees, refers to the feelings of affection employees have towards their organisations. Attachment in the form of affection could explain the reason for employees being content in the small business environment.

6.3.4 Owner Involvement

Owners being involved in the everyday business of the organisation was identified by two thirds of the participants and ranked the fourth highest motivator. The responses received from the participants ranged from physically showing presence, to being able to perform the majority of the duties within the organisation. Literature did not reveal any findings with regards to owner participation as an employee motivator. The comments by the small business participants align with small business context though of very few people running small businesses (Hatten, 2012, p. 6). Given the argument that small business managers have to be multi-skilled (p. 24), it would follow that small business owners could perform several of the duties within the business.

6.3.5 Personal Development

Ranked jointly fourth, the findings of this study revealed two thirds of the participants believed that personal development is vital as an employee motivator. Various existing studies confirmed the perception of the small business participants that employees are motivated by learning, training, development and enhancement (Beynon, Jones, Pickernell, & Packham, 2015; Newton, Becker, & Bell, 2014; Pajo, Coetzer, & Guenole, 2010) However, Ghosal and Ye (2015) argued that small business might not be able to afford training. Considering communication with leaders was ranked higher by the small business participants than personal development, interaction could facilitate on-the-job learning and enhancement. Proximity in the small business environment should also assist on-the-job development aided by leaders

6.3.6 Trust from Management

Trusting employees by providing them freedom to perform their duties was ranked sixth and identified as another employee motivator by more than half of the participants. This finding is in line with literature that revealed providing freedom is a motivator for employees to stay as it shows trust (George, 2015). Simultaneously employees would

require some form of structure by following specified procedures as argued by Govaerts et al. (2011), when certain procedures are followed, employees would have a sense of stability. This would imply having autonomy within limits. As small companies mostly lack formal structures (Pajo, Coetzer, & Guenole, 2010), being able to communicate with leaders could be a gateway for providing guidance, seen as a form of structure.

6.3.7 *Feeling Included and Respected*

Findings revealed that half of the participants believed that inclusion and respect are motivators for employees to remain in organisations, ranked jointly seventh and are therefore considered as motivators to be recognised. In line with literature, inclusion and respect was identified by Maslow (1943) as the need for love, associated with social belonging and the need for esteem, associated with respect gained through reputation and recognition. Once employees feel part of an organisation, their needs to belong are satisfied. Once respect is gained, employees feel their esteem needs are met. When employees experience a sense of achievement, their need for self-actualization would be fulfilled. (Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2012, p. 238). When these needs are met, employees are motivated, increasing the retention possibility.

6.3.8 *Management Attending to Problems Promptly*

Another factor perceived as employee motivator shown in the findings with a ranking of seven, was the belief amongst the participants that their ability to solve problems promptly, motivates employees to stay with organisations. This factor has not been identified by existing literature in the context of retention however, literature showed that the management structure is fairly flat in small businesses, having few managers (Hatten, 2012, p. 6), which would allow decisions to be made promptly. The responses obtained show that small businesses participants believe that this is an advantage they have over larger business and can have an impact on employee motivation.

6.3.9 *Being Presented with a Challenge*

The tenth ranked outcome for factors considered by small business, motivating employees to stay within the business, was having a challenge. A third of the

participants identified this as a motivator, referring to both cognitive as well as performance challenges. This finding coincides with the reasoning behind the hierarchy of needs identified by Maslow (1943) where it was argued that individuals normally progress through the various levels of need. Having a challenge speaks to the need for self-actualization, which follows four other needs.

The employee motivator discussion showed all participants concurred that employees are motivated by financial benefits. From literature it was identified as meeting the very basic needs of employees, and in turn motivates. Communication with leaders was identified as a substantial employee motivator, explained by linking it to perceived trust created by displaying openness and transparency through communication. Employees were perceived as motivated by happiness with work, ranked highly by the participants. Employee happiness was linked to literature on organisational attachment by employees due to the family-like environment of small business.

Owner involvement in everyday business identified by participants could not be explained by the literature as an employee motivator. Management attending to problems was not supported by employee motivator literature.

Personal development was confirmed as a motivator by both participants and literature. Trust from management by providing freedom to employees to perform their duties was another motivator identified by participants and supported by literature. Inclusion and respect were jointly addressed as it spoke to the literature on needs being met that motivate individuals. The perception of participants that it was seen as an advantage in small business spoke to small business literature. The last motivator discussed was employees having a challenge which was connected to literature on meeting needs and therefore motivating employees.

Having obtained an understanding of employee motivators as perceived by the small business owners, an investigation into small business practices as an attempt to retain employees would be the next step in comprehending the retention of skills critical to small business. Discussions of the findings of the third research question, therefore, follows next.

6.4. Organisational Practices to Retain Critical Skills

Once the motivators are identified, how do small businesses use the employee motivation awareness, to influence retention of employees with critical skills?

The purpose of research question 3, was to gain insight into how small businesses utilise the knowledge of employee motivators in an attempt to influence employees to stay with and be retained by organisations. The focus of this research question was specifically on intentional efforts made by organisations to influence the retention outcome.

Limited literature was found that investigated intentional influence by organisations to retain employees. Most literature studied retention motivators from employee perspectives (Bernhard & O'Driscoll, 2011; de Villiers & Stander, 2011; Prati & Zani, 2013; Jing, Avery, & Bergsteiner, 2014). The findings of research question 3 are integrated with the findings of research Question 2 and then discussed.

The findings obtained in this study showed an awareness by participants that retention cannot be controlled, as it is ultimately the decision of the employees whether or not to remain in organisations. This observation is supported by Ehin (2013) who observed that in general individuals cannot be controlled by others, but they can be influenced.

Reflected in the findings, besides satisfying financial needs, various efforts are being made by small businesses in an attempt to retain employees critical to their businesses, such as taking a personal interest in employees, providing time flexibility, being fair with regards to workload and rewards, having an open-door policy, providing structure, attending to the small things, providing a voicing platform and being open with employees. These practices are being discussed next.

6.4.1 Financial Influence

It was evident from the responses received under financial motivation in the discussion for research question 2 in the previous section, that all participants are aware of the basic financial needs of employees, and acknowledged the needs. From the findings obtained in Section 5.4 under employee motivators, the findings showed that small business owners have different approaches in meeting financial needs. Some believe

they pay salaries above industry norms, some pay in line with industry norms and one participant pays below his industry norm, but provides other financial incentives. The latter participant has bonus incentives based on performance, either work related or individual development related. These practices, identified by the small business owner participants, reflect innovation in managing resources, as observed by Hatten (2012, p. 13).

The top eight practices following financial influence, common amongst participants, were identified in Table 4. Five of the eight practices identified ranked second in frequency. A discussion of each of these eight practices follows.

6.4.2 *Taking a Personal Interest in Employees*

Taking a personal interest in employees was ranked the highest influencing factor, identified by eight participants. Out of the findings, the reasoning obtained from participants for this identified practice, was that taking a personal interest in employees allows small businesses to gain insights into the needs of employees. This action was taken in order to comprehend what employee motivators (discussed in section 6.3) were. Reviewed literature did not identify taking a personal interest as a conscious effort by organisations to influence retention. Literature did reveal that individuals are motivated by meeting their emotional needs as explained by Maslow (1943). This study confirmed that the small business participants were aware of the needs of employees on a personal level. Since proximity to each other is closer, context allows small business owners to have a closer relationship with employees than in bigger organisations.

Providing time flexibility, being fair, having an open-door policy, providing structure and being attentive to little things were practices rated jointly second from the findings obtained, identified in each occasion by half of the participants. The discussion for each of these identified practices follows next.

6.4.3 *Flexible Working Hours*

Findings showed an awareness among the small business participants exists of the need of employees to have flexibility in working hours. By having a certain amount of flexibility in the work context was seen as part of freedom provided to employees, who

in turn are motivated to stay (George, 2015). Similar to the argument in the discussion of the findings for research question 2, providing flexibility indicates a level of trust businesses show employees, explaining why employees are motivated to remain within organisations. Hatten (2012) argued that small businesses have a competitive advantage by being flexible. This practice was voiced by participants as a factor that could indicate a belief by small business owners that their businesses have an advantage over larger businesses by being able to provide flexibility. The size of the small businesses would allow flexibility, as there are fewer employees to control than in a larger organisation. In turn, taking a personal interest in employees indicates that employers should have a better understanding of employees and would be aware whether employees can be trusted to deliver required output when flexible working hours are agreed to.

6.4.4 *Fairness in Workload and Reward*

The findings indicate that fairness is another practice that can be used as an employee motivator to stay with these businesses. Fairness amongst the participants mainly referred to having a fair workload and fair rewards when compared to other employees. Fairness could be linked to attachment of employees to organisations, as it could be argued when organisations are fair, it creates positive feelings by employees towards organisations that could lead to employees being attached to the workplace (Maertz & Griffeth, 2004). Considering that organisations wish to retain employees who add value (Nilsson & Ellström, 2012), it follows that organisations would reward employees better who add greater value than other employees. Fairness would then be perceived by employees, increasing the possibility of retention of those employees.

6.4.5 *Open-door Policy*

From the findings it was evident that the small business participants rate open-door policy the second highest, together with flexible working hours and fairness in workload and in reward, among the highest contributing practices that influence retention. The reasons given by participants for having an open-door policy as an influencing factor aligns with the highest ranking practice after financial, namely having a personal interest in employees. The responses indicated that an open-door policy allows employees to address concerns and share information, linking it to the motivators in Section 6.3, by having an open-door policy, allows interaction with leaders. In addition,

those leaders would obtain awareness through communication of whether employees are content with work or whether there are problems that need to be resolved. Also, it could be argued that by having an open-door policy and allowing employees to voice their concerns or opinions, employees could feel included and respected for their input, influencing retention. As was seen in Section 6.3 when the linked motivators were discussed, by employees being happy and feeling included and respected, was linked to attachment to workplace as explained in the literature by Maertz Jr. and Griffeth (2004).

6.4.6 Providing Structure

Forthcoming from the findings was that structure was considered vital to six of the small businesses participants. This appears to be contradictory to the observation made by Pajo, Coetzer and Guenole (2010) that small companies by and large lack formal structures. Participants felt that some structure is needed, confirmed by Govaerts et al. (2011) who argued that when certain procedures are in place, employees feel a sense of stability. It follows that feeling stable is in line with the need for security identified by Maslow (1943), which is a motivational factor for employees. Thus providing structure influences motivation of employees and affects employee decisions on whether to stay with organisations or leave, thus influencing retention

6.4.7 Small Things

Findings showed that six small business owners felt that “small things” made a significant difference in influencing employee motivation, as indicated by one participant: *“those little things count immensely and if you spend time doing those things, you don’t have to spend money retaining the skill”*. Examples given by participants illustrated that the small things are 1) unexpected and 2) personal. This finding speaks to both fulfilling emotional, respect and esteem needs of Maslow (1943) and affective attachment (Maertz & Griffeth, 2004) which have an impact on employee motivators. By being attentive to matters that seem trivial, could display a level of humanity to employees, portrayed by organisations. In small businesses, where proximity prevails, it could be argued that employees expect small organisations to have a level of humanity and in turn expect attention to small things. Thus, attending to those small things could be considered as vital.

6.4.8 Providing a Voicing Platform

Providing a voicing platform was revealed from the findings and ranked seventh, with four participants identifying this factor. Similar to having an open-door policy, providing a voicing platform was differentiated by the small business participants who referred to this influencer as regular, scheduled meetings. This could be seen as a back-up to having an open-door policy, in case certain employees do not feel comfortable taking advantage of the open-door policy. This practice could be justified by the need for some structure referred to by Govaerts et al. (2011). Providing this platform could also indicate that organisations take an interest in employees and making employees feel included. In turn, employees could feel a closer connectedness with organisations, leading to attachment (Maertz & Griffeth, 2004). As has been indicated in Section 6.3, attachment motivates employees to stay with organisations.

6.4.9 Being Honest with Employees

Ranked eighth, three participants mentioned being honest with employees is a practice undertaken by their small businesses in order to motivate employees. By being honest, employees could feel a sense of transparency which builds trust. Trust has been identified in the findings discussion of research question 2 as an employee motivator (George, 2015). In addition, it could be argued that by organisations being honest reflects a level of respect towards employees and displaying inclusion, meeting affection and esteem needs, as indicated in Section 6.3.

As was evident from the discussion on the findings of organisation practices, each of the top eight practices of companies to influence retention were linked to motivators and literature discussed in Section 6.3. The small business participants believed that, after considering financial benefits, taking a personal interest was ranked highest. Time flexibility, being fair, having an open-door policy, providing some structure and attending to small things were perceived as equally salient influence levels following the personal interest influence. Also considered, on a lessor scale, were providing voicing platforms and being open with employees.

Small business practices that influence retention refers to factors controlled by organisations. To provide a richer comprehension of the context within which small businesses operate, other issues outside the control of small organisations are addressed next, under research question 4.

6.5. Other Issues that Influence Retention

What other issues, inside as well as outside of the organisation, influence the retention practices of small businesses?

Considering this study is exploratory in nature, this research question provided a platform for participants to voice any other issues not considered or covered under the previous three research questions. By including this research question, it was possible to add to the understanding of the small business context.

The findings reflected little commonality in issues identified by the participants. Three issues were identified and mentioned by three or more participants and they are small office setup, emigration and the state of the economy, discussed in this section.

6.5.1 Small Office Setup

The issue identified with the highest occurrence, identified by five participants, was their small businesses believing that having a small office setup has an influence on retaining employees. The findings revealed that the close relationship between the small business owners and their employees was attributed to the number of employees within their organisations. Participants found that smaller employee numbers are easier to manage. As few people typically run small businesses (Hatten, 2012, p. 6), small business owners are closer to employees in structure, allowing relationships to be closer. Since the small business participants believed having a personal interest in employees influences retention, having a small office setup facilitates this influence.

6.5.2 Emigration

Emigration was revealed as the second highest ranked other issue influencing motivation and retention, identified by four participants. This issue indicates that individuals have needs outside of the organisation that impacts on their motivators to remain employed within organisations located in South Africa. From literature, the most recent motivational force identified by Maertz Jr., Boyar and Pearson (2012) is location. Employees had to consider what the advantages would be should they remain within the organisation, situated in South Africa, as opposed to the advantages of emigration.

6.5.3 Economy

From the findings, it was evident that the economy could affect both the small businesses as well as the employees. As explained by participants, a weak economy could put pressures on resources, making retaining certain employees unaffordable. From existing literature, it is evident that small businesses might have limited resources (Hatten, 2012, p. 6), hence a negative economy could affect retention capabilities negatively. On the other side participants believe employees remain in businesses when the economy is weak, as there is uncertainty of alternative, stable employment. Having a secure job speaks to the security need identified by Maslow (1943).

It is evident that there are issues that impact employee retention that cannot be influenced by organisations. These issues include the small business environment, emigration and the state of the economy.

6.6. Conclusion

The findings provided insight on all four research questions. Each of the four questions could be compared with existing literature. Some literature aligned with findings, some literature was linked to more than one of the research questions and some literature was not relevant to the findings. Some skills identified were context specific to the industry and small business. A link between employee motivators that determine retention and organisational practices that influence retention was found. Some motivators were linked to small business and some practices were supported by small business context. Small business context itself was seen as an issue outside of the control of the small business owners, as well as conditions within South Africa, like emigration and the economy.

The four research questions identified in Chapter 3 have therefore been answered and the research objectives have been met. The findings contribute to the current literature regarding retention of critical skills in small business.

7. CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

In Chapter 6, the findings of this study which aimed to explore critical skills retention in small businesses, were discussed in light of the literature on critical skills, employee motivators and organisational influencers. This chapter commences with recapitulation of the research problem discussed in Chapter 1. A summary of the key findings is then presented, followed by recommendations to small business owners. This chapter ends with limitations to this study as well as some suggestions for future research.

7.1. Research Problem and Research Objectives

Small businesses have a poor survival record in South Africa, partly due to lack of resources. Employees with skills critical to business are examples of such resources. A lack of experience by small business owners is an added reason why small businesses fail. Hence skills retention becomes an even more important requirement for small business and its survival. Limited literature exists on retention of employees in small businesses that would aid owners in successfully retaining employees.

The primary objective of this study was to obtain an understanding of small business strategies that would increase the possibility of retaining skills critical to business. The aim of this therefore, was to evaluate and understand the retention strategies used to retain those skills critical for business. As mentioned, one of the reasons for the high failure rate of small business is lack of resources (Your Business Magazine, 2014), and retaining employees means retaining resources.

From the primary objective, secondary objectives emerged that were employed to determine the four research questions, namely:

- Research Question 1: What skills do small businesses consider as critical to their business?
- Research Question 2: How do small businesses perceive what motivates employees with critical skills, to stay with these businesses?
- Research Question 3: Once the motivations are identified, how do small businesses use the employee motivation awareness, to influence retention of employees with critical skills?

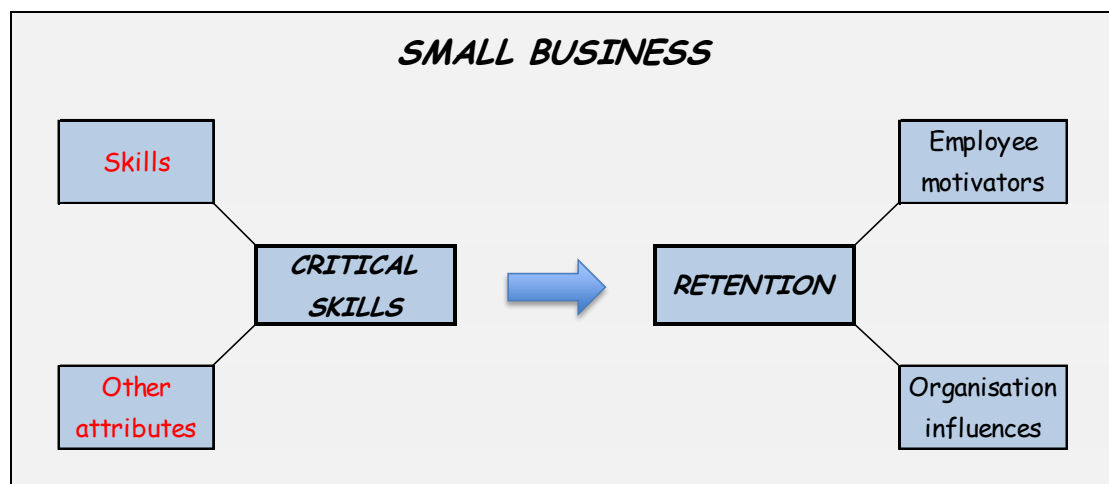
- Research Question 4: What other factors inside as well as outside of the organisation influence the retention practices of small businesses?

From the findings presented in Chapter 5 and the discussion of the findings in Chapter 6, principal findings emerged, which are summarised next.

7.2. Principal Findings

While this study aimed to explore retention of skills critical to small business, as illustrated in Figure 2, it was also found that not only were skills considered significant in retention practices for small businesses, but that other employee attributes were also considered significant in retaining skills. As a result, Figure 8 is an adaption of Figure 2 to incorporate the other attributes identified by the participants.

Figure 8: Format of principle findings

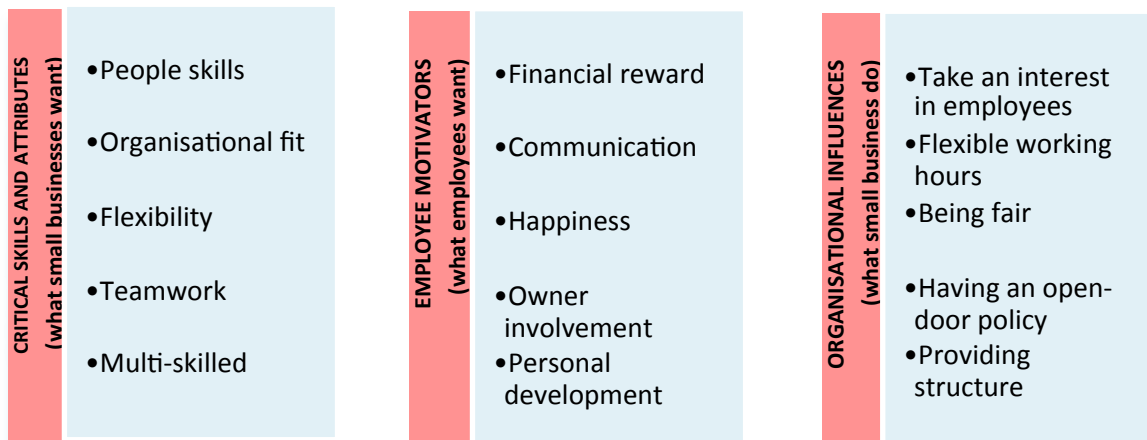


In addition, given that no literature was found specifically on retention of skills critical in small businesses, the current study contributes to research by identifying:

- What skills small businesses seek to retain
- Why would employees wish to be retained
- What small businesses do to influence retention

The top five factors identified in this study for each of the above categories/contributions are presented in Figure 9, ranked from highest to lowest in order of frequency, as per Chapter 5.

Figure 9: Top five factors identified for employee retention related to the most significant critical skills and attributes sought by small business owners



Each of the three contributions are briefly summarised next.

7.2.1 Skills Critical to Small business

The first major contribution this study makes to theoretical literature is to identify skills and attributes vital for small businesses to retain. People skills in general, are considered vital to any business and this was confirmed in the literature (Cai, 2014; Levasseur, 2011; Robles, 2012). The findings of this study indicate that people skills are equally vital to small businesses.

Existing studies also revealed that employees feel the need to fit into the environment of an organisation so as to remain with such an organisation (Odom, 2013; Prati & Zani, 2013). Small businesses often create an environment with a *family feel*, since most employees and owners work in close proximity to one another. Such proximity was welcomed by employees as a reflection of acceptance. This study revealed that fitting into the organisation was vital for small businesses when employee retention was considered.

Flexibility was a common theme identified during the literature review, mainly from working-hours perspective of employees, but was not identified as a requirement for retention (Mesu, van Riemsdijk, & Sanders, 2013; Tracey, 2012; López-Cabrales &

Valle, 2011). This study confirmed that small business considered flexibility as a significant factor for purposes of retention.

Team work was identified and confirmed in existing studies as a vital attribute for employees to possess when working together (Levasseur, 2011; Pasmore, 2014). Since small businesses have fewer employees that are not necessarily part of specific teams but are in close proximity to each other, the findings confirmed that the ability to work in a team is valuable for retention.

Although existing literature did not reveal multi-tasking as a requirement, the present study found that being able to multi-task was another significant factor for retention in the context of small business.

7.2.2 Employee Motivators

The second major contribution this study to the theoretical knowledge base, was to identify motivators of critically skilled employees remaining with businesses from the perspective of the small business owners. This study showed financial motivation was considered an important factor in retaining employees by small business. This coincided with the literature available regarding financial motivation in large business (Milman & Dickson, 2014).

This study confirmed that small business employers believed that interacting with employees, as much as participating in business activities, allowed them to observe first-hand the state of happiness of employees, believing that employees were motivated when happy. Other factors identified to motivate employees to remain within organisations were showing interest in personal development, trusting and respecting the employees by the employers.

This study noted that small business owners were personally aware of needs of their employees, especially those of employees that are critical to the business. The small business setup allowed employers to be more involved with these employees and to ensure that certain employee needs were met. Such efforts are discussed in the next section.

7.2.3 Organisational Influences

The third major contribution from the current research stemmed from identifying the actions that small business took to influence the retention of critically-skilled employees. Small business owners believed that proximity to employees who were vital to their organisations influenced retention. Proximity also allowed the owners to obtain information regarding what motivated these employees. These owners used this information to fulfil the expectations of the employees whenever possible.

This study revealed that organisations believed that retention was positively influenced by showing an interest in employees, by attending to small matters and by treating those employees honestly and fairly. In addition and uniquely to the small business environment, it was found that due to the proximity of the owners to the employees, owners could swiftly react to any changes in circumstance that might adversely affect job satisfaction, leading to increased retention rate.

7.3. Recommendations for Small Business Owners

The original aim of this research was to assist small business owners in retaining the employees with skills critical to their businesses, in order to reduce the risk of valuable resource loss and business failure. From the findings of this study, a few recommendations can be made to small business owners who wish to retain the critical skills in their businesses:

- Small businesses should utilise the proximity within the small business environment to familiarise themselves with the needs of their employees as discussed in this study, namely: financial reward, communication, happiness, owner involvement and personal development;
- Once employee needs are understood, effort should be made to meet certain needs – especially those that are vital to employees;
- The employers should create an environment conducive to job satisfaction by providing structure and voicing platforms;

- The employers should utilise the small business environment that differentiates them from larger entities for example by attending to problems promptly or by providing flexible working hours and flexible work functions.

7.4. Limitations of Research

Even though care was taken with the research process of this study, the study was in no way exhaustive, certain limitations might still be present, such as:

- The sample size of this study was too small for findings to be related to all small businesses;
- The research took place in Gauteng province in South Africa. This was not necessarily universally representative, nor was it definitely representative of all small businesses in South Africa;
- The research took place across different industries but may not have been applicable to all industries;
- The participants of this study represented businesses with employee numbers between six and 49. Even though employee numbers were indicative of small businesses, there could be differences due to extremes in employee numbers;
- The period of experience of the participants ranged between four and 29 years, and findings might have been influenced by lack of experience of some of the participants.

The aim of the transparency in the research method in Chapter 4 and findings presented in Chapter 5, was to allow the user of this study to judge the relevance and validity of the content of this study. However as explained under Section 4.9, some bias could not be avoided and should be considered for validity of this study.

7.5. Recommendations for Future Research

This study was exploratory in nature. While retention in small businesses remains relatively unexplored, the findings of this study provide a base for future research. The following recommendations are thus made:

- Studies that focus on specific industries are recommended so that results between industries can be compared;
- The results of this research can be tested by quantitative studies that would focus on the outcome of specific themes identified in this study;
- Studies investigating the benefits of working in small businesses from the perspective of the employees should be made to determine the unique motivations found in small business that are in line with those perceived by the employers.

REFERENCES

- Aguinis, H., Gottfredson, R. K., & Joo, H. (2012). Using performance management to win the talent war. *Business Horizons*, 55, 609-616.
doi:<http://dx.doi.org/10.1016/j.bushor.2012.05.007>
- Allen, M. R., Ericksen, J., & Collins, C. J. (2013). Human resource management, employee exchange relationships, and performance in small business. *Human Resource Management*, 52(2), 153-174. doi:10.1002/hrm.21523
- Andries, P., & Czarnitzki, D. (2014). Small firm innovation performance and employee involvement. *Small Business Economics*, 43, 21-38. doi:10.1007/s11187-014-9577-1
- Bailey, L. F. (2014). The origin and success of qualitative research. *International Journal of Market Research*, 56(2), 167-184. doi:10.2501/IJMR-2014-013
- Baptista, R., Lima, F., & Preto, M. T. (2013). Entrepreneurial skills and workers' wages in small firms. *Small Business Economics*, 40, 309-323. doi:10.1007/s11187-012-9463-7
- Beltrán-Martín, I., & Roca-Puig, V. (2013). Promoting employee flexibility through HR practices. *Human Resource Management*, 52(5), 645-674.
doi:10.1002/hrm.21556
- Bernhard, F., & O'Driscoll, M. (2011). Psychological ownership in small family-owned businesses: Leadership style and nonfamily-employees' work attitudes and behaviors. *Group & Organization Management*, 36(3), 345– 384.
doi:10.1177/1059601111402684
- Beynon, M. J., Jones, P., Pickernell, D., & Packham, G. (2015). Investigating the impact of training influence on employee retention in small and medium enterprises: A regression-type classification and ranking believe simplex analysis on sparse data. *Expert Systems*, 32(1), 141-154.
doi:10.1111/exsy.12067

- Blaxter, L., Hughes, C., & Tight, M. (2010). *How to research* (4th ed.). New York: Open University Press. Retrieved from <https://onedrive.live.com/view.aspx?resid=FA116F188700E8B6!530&ithint=file%2cpdf&app=WordPdf&authkey=!ACarpi1QSkEL9fw>
- Cai, H. (2014). Management development: A principles framework and critical skills approach. *Human Systems Management*, 33, 207-212. doi:10.3233/HSM-140822
- Cant, M. (2012). Challenges faced by SME's in South Africa: Are marketing skills needed? *International Business & Economics Research Journal*, 11(10), 1107-1116. Retrieved from <http://www.cluteinstitute.com/ojs/index.php/IBER/article/view/7256>
- Cardon, M. S., & Stevens, C. E. (2004). Managing human resources in small organisations: What do we know? *Human Resource Management Review*, 14(3), 295-323. doi:10.1016/j.hrmr.2004.06.001
- Cardy, R. L., & Lengnick-Hall, M. (2011). Will they stay or will they go? Exploring a customer-oriented approach to employee retention. *Journal of Business and Psychology*, 26(2), 213-217. doi:10.1007/S10869-011-922 3-8
- Chell, E. (2013). Review of skill and the entrepreneurial process. *International Journal of Entity Behaviour & Research*, 19(1), 6-31. doi:10.1108/13552551311299233
- Cope, D. (2014). Methods and meanings: Credibility and trustworthiness of qualitative research. *Oncology Nursing Forum*, 41(1), 89-91. doi:10.1188/14.ONF.89-91
- Darcy, C., Hill, J., McCabe, T. J., & McGovern, P. (2014). A consideration of organisational sustainability in the SME context: A resource-based view and composite model. *European Journal of Training and Development*, 38(5), 398-414. doi:10.1108/EJTD-10-2013-0108
- de Villiers, J. R., & Stander, M. W. (2011). Psychological empowerment, work engagement and turnover Intention: The role of leader relations and role clarity in a financial institution. *Journal of Psychology in Africa*, 21(3), 405-412. doi:10.1080/14330237.2011.10820474

- Dunkelberg, W. C., & Wade, H. (2015). *NFIB small business economic trends*. Washington: National Federation of Independent Business. Retrieved from <http://www.nfib.com/surveys/small-business-economic-trends/>
- Durst, S., & Edvardsson, I. R. (2012). Knowledge management in SMEs: A literature review. *Journal of Knowledge Management*, 16(6), 879-903. doi:10.1108/13673271211276173
- Durst, S., & Wilhelm, S. (2012). Knowledge management and succession planning in SMEs. *Journal of Knowledge Management*, 16(4), 637-649. doi:10.1108/13673271211246194
- Ehin, C. (2013). Can people really be managed? *International Journal of Commerce and Management*, 23(3), 184-203. doi:10.1108/IJEoMA-04-2011-0007
- Elo, S., Kääriäinen, M., Kanste, O., Pölkki, T., Utriainen, K., & Kyngäs, H. (2014). Qualitative content analysis: A focus on trustworthiness. *SAGE Open*, 4(1). doi:10.1177/2158244014522633
- Gardner, T. M., Wright, P. M., & Moynihan, L. M. (2011). The impact of motivation, empowerment, and skill-enhancing practices on aggregate voluntary turnover: The mediating effect of collective affective commitment. *Personnel Psychology*, 64(2), 315-350. doi:10.1111/j.1744-6570.2011.01212.x
- George, C. (2015). Retaining professional workers: What makes them stay? *Employee Relations*, 37(1), 102-121. doi:10.1108/ER-10-2013-0151
- Ghosal, V., & Ye, Y. (2015). Uncertainty and the employment dynamics of small and large businesses. *Small Business Economics*, 44(3), 529-558. doi:10.1007/s11187-014-9614-0
- Govaerts, N., Kyndt, E., Dochy, F., & Baert, H. (2011). Influence of learning and working climate on the retention of talented employees. *Journal of Workplace Learning*, 23(1), 35-55. doi:10.1108/13665621111097245

- Grobler, P. A., Wörnich, S., Carrell, M. R., Elbert, N. F., & Hatfield, R. D. (2012). *Human resource management in South Africa* (4th ed.). Hampshire, United Kingdom: Cengage Learning EMEA.
- Guba, E. (1981). Criteria for assessing the trustworthiness of naturalistic inquiries. *Educational Communication and Technology*, 29(2), 75-91.
doi:10.1007/BF02766777
- Haar, J. M., & White, B. J. (2013). Corporate entrepreneurship and information technology towards employee retention: A study of New Zealand firms. *Human Resource Management Journal*, 23(1), 109-125. doi:10.1111/j.1748-8583.2011.00178.x
- Hatten, T. (2012). *Small business management: Entrepreneurship and beyond* (5th ed.). Mason, U.S.A.: South-Western Cengage Learning. Retrieved from URL: <http://wiki.zirve.edu.tr/sandbox/groups/economicsandadministrativesciences/wiki/a7111/attachments/eeb4c/the%20book.pdf?sessionID=9b922c5065c4e0ec871b43045a8e56b3c5c3609c>
- Hausknecht, J. P., Rodda, J., & Howard, M. J. (2009). Targeted employee retention: Performance-based and job-related differences in reported reasons for staying. *Human Resource Management*, 48(2), 269-288. doi:10.1002/hrm.20279
- Herrington, M., Kew, J., & Kew, P. (2015). *2014 GEM South Africa report. South Africa: The crossroads - a goldmine or a time bomb?* Cape Town: Global Entrepreneurship Monitor. Retrieved November 4, 2015, from <http://www.gemconsortium.org/country-profile/108>
- Hodges, N., Watchravesringkan, K., Yurchisin, J., Hegland, J., Karpova, E., Marcketti, S., & Yan, R. (2015). Assessing curriculum designed to foster students' entrepreneurial knowledge and small business skills from a global perspective. *Family and Consumer Sciences Research Journal*, 43(4), 313-327.
doi:10.1111/fcsr.12115

- Industrial Development Corporation. (2014, February 14). President Zuma lists state successes. Retrieved November 4, 2015, from www.idc.co.za:
<http://www.idc.co.za/home/media-room/articles/718-small-business,-huge-potential-for-south-africa.html>
- Jing, F. F., Avery, G. C., & Bergsteiner, H. (2014). Enhancing performance in small professional firms through vision communication and sharing. *Asia Pacific Journal of Management*, 31(2), 599-620. doi:10.1007/s10490-013-9345-9
- Kickul, J. (2001). Promises made, promises broken: An exploration of employee attraction and retention practices in small business. *Journal of Small Business Management*, 39(4), 320-335. Retrieved from <http://0-search.proquest.com.innopac.up.ac.za/docview/221010576?accountid=14717>
- Levasseur, R. (2011). People skills: Optimizing team development and performance. *Interfaces*, 41(2), 204-208. doi:10.1287/inte.1100.0519
- López-Cabrales, A., & Valle, R. (2011). Employment relationships as drivers of firm flexibility and learning. *Personnel Review*, 40(5), 625-642. Retrieved from <http://0-dx.doi.org.innopac.up.ac.za/10.1108/00483481111154478>
- Maertz, C. P., & Griffeth, R. W. (2004). Eight motivational forces and voluntary turnover: A theoretical synthesis with implications for research. *Journal of Management*, 30(5), 667-683. doi:10.1016/j.jm.2004.04.001
- Maertz, C. P., Boyar, S. L., & Pearson, A. W. (2012). Extending the 8 forces framework of attachment and voluntary turnover. *Journal of Business and Management*, 18(1), 7-30. Retrieved from https://0-www.chapman.edu.innopac.up.ac.za/business/_files/journals-and-essays/jbm-editions/12-1263%20JBM%20Journal_v.18n02_v6.pdf#page=9
- Maloney, K., & Stanford, P. (2011). The craft of people management. *Human Resource Management International Digest*, 19(3), 3-5. doi:10.1108/09670731111125844

- Maslow, A. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370-396. Retrieved from <https://docs.google.com/a/mygibs.co.za/file/d/0B-5-JeCa2Z7hNjZINDNhOTEtMWNkYi00YmFhLWI3YjUtMDEyMDJkZDEwNWRm/e>
dit
- Maslow, A. (1954). *Motivation and personality*. Harper & Row. Retrieved from http://s-f-walker.org.uk/pubsebooks/pdfs/Motivation_and_Personality-Maslow.pdf
- Maslow, A. (1967). *The farther reaches of human nature*. San Francisco: Esalen Institute. Retrieved from <http://www.humanpotentialcenter.org/Articles/FartherReaches.pdf>
- Mesu, J., van Riemsdijk, M., & Sanders, K. (2013). Labour flexibility in SMEs: The impact of leadership. *Employee Relations*, 35(2), 120-138.
doi:10.1108/01425451311287835
- Mignonac, K., & Richebé, N. (2013). 'No strings attached?': How attribution of disinterested support affects employee retention. *Human Resource Management Journal*, 23(1), 72-90. doi:10.1111/j.1748-8583.2012.00195.x
- Milman, A., & Dickson, D. (2014). Employment characteristics and retention predictors among hourly employees in large US theme parks and attractions. *International Journal of Contemporary Hospitality Management*, 26(3), 447-469.
doi:10.1108/IJCHM-04-2013-0178
- News24. (2015, March 22). Small business minister markets SA to the world. *News24*. Retrieved November 4, 2015, from www.fin24.com:
<http://www.fin24.com/Entrepreneurs/News/Small-business-minister-markets-SA-to-the-world-20150322>
- Newton, C., Becker, K., & Bell, S. (2014). Learning and development opportunities as a tool for the retention of volunteers: A motivational perspective. *Human Resource Management Journal*, 24(4), 514-530. doi:10.1111/1748-8583.12040
- Nilsson, S., & Ellström, P. (2012). Employability and talent management: Challenges for HRD practices. *European Journal of Training and Development*, 36(1), 26-45. doi:10.1108/03090591211192610

- Odom, C. (2013). New-hire retention woes drive change in health insurer's employee-selection process. *Global Business and Organizational Excellence*, 32(6), 27-35. doi:10.1002/joe.21512
- O'Reilly, M., & Parker, N. (2012). 'Unsatisfactory saturation': A critical exploration of the notion of saturated sample sizes in qualitative research. *Qualitative Research*, 13(2), 190-197. doi:10.1177/1468794112446106
- Pajo, K., Coetzer, A., & Guenole, N. (2010). Formal development opportunities and withdrawal behaviors by employees in small and medium-sized enterprises. *Journal of Small Business Management*, 48(3), 281-301. doi:10.1111/j.1540-627X.2010.00295
- Pasmore, W. (2014). *Developing a leadership strategy*. Center for creative leadership. Retrieved from <http://www.ccl.org/leadership/pdf/research/LeadershipStrategy.pdf>
- Patel, C. P., & Conklin, B. (2012). Perceived labor productivity in small firms - the effects of high-performance work systems and group culture through employee retention. *Entrepreneurship Theory and Practice*, 36(2), 205-235. doi:10.1111/j.1540-6520.2010.00404.x
- Phitidis, P. (2011, November 22). Implement systems for success. *Entrepreneur Magazine*. Retrieved November 4, 2015, from <http://www.entrepreneurmag.co.za>: <http://www.entrepreneurmag.co.za/advice/business-leadership/setting-up-systems/implement-systems-for-success/>
- Phitidis, P. (2014, October 30). Why your business should function without you in it. *Entrepreneur Magazine*. Retrieved November 4, 2015, from <http://www.entrepreneurmag.co.za>: <http://www.entrepreneurmag.co.za/advice/growing-a-business/how-to-guides-growing-a-business/why-your-business-should-function-without-you-in-it/>
- Prati, G., & Zani, B. (2013). The relationship between psychological empowerment and organizational identification. *Journal of Community Psychology*, 41(7), 851-866. doi:10.1002/jclp.21578

- PricewaterhouseCoopers. (2015). *18th Annual Global CEO Survey. A marketplace without boundaries? Responding to disruption*. United Kingdom: PricewaterhouseCoopers. Retrieved from <http://www.pwc.com/gx/en/ceo-survey/2015/>
- Reda, B., Dyer, L., & Molson, J. (2010). Finding employees and keeping them: Predicting loyalty in the small business. *Journal of Small Business and Entrepreneurship*, 23(3), 445-460. doi:10.1080/08276331.2010.10593495
- Republic of South Africa. (1996). National small business act no 102 of 1996 . *Government Gazette, 1901*. Retrieved from http://us-cdn.creamermedia.co.za/assets/articles/attachments/02978_natsmalbusact102.pdf
- Robles, M. (2012). Executive perceptions of the top 10 soft skills needed in today's workplace. *Business Communication Quarterly*, 75(4), 453-465. doi:10.1177/1080569912460400
- Saunders, M., & Lewis, P. (2012). *Doing research in business and management*. Harlow, England: Pearson.
- Schlosser, F. (2015). Identifying and differentiating key employees from owners and other employees in SMEs. *Journal of Small Business Management*, 53(1), 37-53. doi:10.1111/jsbm.12066
- Skelsey, H. (2014, December). Maslow's hierarchy of needs – the sixth level. *The British Psychological Society*, 27, pp. 982-983. Retrieved from <http://thepsychologist.bps.org.uk/volume-27/december-2014/maslows-hierarchy-needs-sixth-level>
- Stokes, D., & Wilson, N. (2010). *Small business management and entrepreneurship* (6th ed.). Andover, Hampshire, United Kingdom: Cengage Learning EMEA.

- The Department of Higher Education and Training. (2014, May 23). Call for comments on the national scarce skills list: Top 100 occupations in demand. *Government Gazette*(37678). Retrieved from <http://www.inseta.org.za/downloads/Top%20100%20scarce%20skill%20occupations%20in%20south%20africa.pdf>
- The Department of Labour. (2009). *Skills shortages in South Africa, case studies of key professionals*. Cape Town: HSRC Press. Retrieved from [http://www.labour.gov.za/DOL/downloads/documents/useful-documents/skills-development-act/1-First%20Economy%20\(2\).pdf](http://www.labour.gov.za/DOL/downloads/documents/useful-documents/skills-development-act/1-First%20Economy%20(2).pdf)
- The Department of Trade and Industry. (2008). *Annual review of small business in South Africa 2005-2007*. The Department of Trade and Industry. Retrieved November 4, 2015, from www.dti.gov.za: http://www.dti.gov.za/sme_development/docs/smme_report.pdf
- Thomas, E., & Magilvy, J. (2011). Qualitative rigor or research validity in qualitative research. *Journal for Specialists in Pediatric Nursing*, 16(2), 151-155. doi:10.1111/j.1744-6155.2011.00283.x
- Thomas, S. (2014, November 10). SA small business minister launches startup nations South Africa initiative. *Ventureburn*. Retrieved from <http://ventureburn.com>: <http://ventureburn.com/2014/11/sa-small-business-minister-launches-startup-nations-south-africa-initiative/>
- Tracey, J. (2012). A contextual, flexibility-based model of the HR-firm performance relationship. *Management Decision*, 50(5), 909-924. doi:10.1108/00251741211227609
- Tracy, S. (2013). *Qualitative research methods*. Chichester, West Sussex, United Kingdom: Wiley-Blackwell. Retrieved from https://campusvirtual.univalle.edu.co/.../2013_Sarah%20J.%20Tracy-Qualitative%20Research%20Methods_%20Collecting%20Evidence,%20Crafting%20Analysis,%20Communicating%20Impact-Wiley-Blackwell.pdf
- Tufford, L., & Newman, P. (2010). Bracketing in qualitative research. *Qualitative Social Work*, 11(1), 80-96. doi:10.1177/1473325010368316

- Wiig, K. (1997). Knowledge management: Where did it come from and where will it go? *Expert Systems With Application*, 13(1), 1-14. doi:10.1016/S 0957-4174(97)00018-3
- Woo, S. E., & Allen, D. G. (2014). Toward an inductive theory of stayers and seekers in the organization. *Journal of Business and Psychology*, 29(4), 683-703. doi:10.1007/s10869-013-9303-z
- Woods, M., Paulus, T., Atkins, D. P., & Macklin, R. (2015). Advancing qualitative research using qualitative data analysis software (QDAS)? Reviewing potential versus practice in published studies using ATLAS.ti and NVivo, 1994-2013. *Social Science Computer Review*, 1-21. doi:10.1177/0894439315596311
- Yarnall, J. (2011). Maximising the effectiveness of talent pools: A review of case study literature. *Leadership & Organization Development Journal*, 32(5), 510-526. doi:10.1108/01437731111146596
- Your Business Magazine. (2014, October 8). Why SA businesses have a high failure rate. *Your Business*. Retrieved from www.bizmag.co.za:
<http://www.bizmag.co.za/sa-businesses-high-failure-rate/>
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business research methods* (Vol. 8). Canada: Cengage Learning. Retrieved from <https://drmmramzan.files.wordpress.com/2013/01/business-research-method-zikmund-el-al-8th-ed-copy.pdf>

APPENDIX A: Interview Guide

Re: Research question 1: Skills

Skills considered critical in your business (e.g. if these skills are lost, it would affect the company severely)

Q1 What are these skills?

Q2 How do you identify employees with these skills?

Re: Research question 2: Employee motivation

The company's perception of what motivates individuals with these skills.

Q3 How do you know what motivates employees to stay?

Q4 What do you think are the main motivators?

Re: Research question 3: Influence

The actions of the company that influence employees to stay.

Q5 Do you influence the behaviour? How?

Q6 What do you think works best?

Re: Research question 4: Other factors

Q7 Any factors inside and outside the business that might have an influence on the retention process or decision?

APPENDIX B: Full Results List

#	Attributes targeted for retention	Frequency	Rank
1	People skills	9	1
2	<i>Employee fit into small business environment</i>	9	1
3	<i>Flexibility in work environment</i>	7	3
4	<i>Ability to work in a team</i>	7	3
5	<i>Ability to be multi-skilled</i>	6	5
6	Technical skills pertinent to profession	5	6
7	Operational efficiency	4	7
8	Scarce skills	3	8
9	<i>Loyalty</i>	3	8
10	Management skills	3	8
11	<i>Trustworthiness</i>	2	11
12	<i>Professionalism</i>	2	11
13	Up-to-date skills	2	11
14	Technology skills	2	11
15	Problem solving skills	2	11
16	Listening skills	2	11
17	<i>High Standards</i>	2	11
18	Communication skills	2	11
19	Technical sales skills	2	11
20	Time management skills	1	20
21	<i>Responsibility</i>	1	20
22	<i>Reliability</i>	1	20
23	<i>Working long hours</i>	1	20
24	Attention to detail skills	1	20
25	<i>Taking initiative</i>	1	20
26	<i>Honesty</i>	1	20
27	Completion skills	1	20
28	<i>Dedication</i>	1	20

#	Employee motivators identified	Frequency	Rank
1	Financial benefits and incentives	12	1
2	Communication with leaders	11	2
3	Happiness with work and in the work environment	9	3
4	Owner is involved in everyday business	8	4
5	Personal development	8	4
6	Trust from management	7	6
7	Respect from seniors	6	7
8	Feeling included in the business	6	7
9	Management attending to problems promptly	6	7
10	Having a challenge	4	10
11	Competition in work	3	11
12	Success of the business	3	11
13	Working conditions	2	13
14	Business ownership	2	13
15	Responsibility and power	1	15
16	Study leave	1	15
17	Self-management	1	15
18	Pride	1	15
19	Performance	1	15
20	New and exciting	1	15
21	Location	1	15
22	Interesting work	1	15
23	Instant results	1	15
24	Humanity from management	1	15
25	High level interaction	1	15

#	Organisational influence identified	Frequency	Rank
1	Taking a personal interest in employees	8	1
2	Time flexibility	6	2
3	Fairness in workload and reward	6	2
4	Open-door policy	6	2
5	Providing structure	6	2
6	Small things	6	2
7	Voicing platform	4	7
8	Being open with employees	3	8
9	Staff review	2	9
10	Recognition	2	9
11	Power	2	9
12	Flexible to rules	2	9
13	Vision sharing	1	13
14	Incentives	1	13
15	Consistency	1	13
16	Being ethical	1	13

#	Other factors influencing retention	Frequency	Rank
1	Small office setup	5	1
2	Emigration	4	2
3	State of economy	3	3
4	Business environment	2	4
5	Employee retirement	2	4
6	Employee differences	2	4
7	Owner's lack of time to change staff	1	7
8	Status of job	1	7
9	Education quality in South Africa	1	7
10	Leaving the profession	1	7
11	Recruitment process	1	7
12	Foreign companies offering significantly better packages	1	7
13	Employees comparing working conditions with friends	1	7

APPENDIX C: Ethics clearance letter



Dear Ms Christina Schaffner

Protocol Number: **Temp2015-00957**

Title: **The value of critical skills retention in small business**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

GIBS Ethics Administrator

