



## THE HUMAN CAPITAL RETENTION STRATEGIES THAT LOCAL AUTHORITIES IN ZIMBABWE CAN ADOPT FOR SUCCESSFUL TALENT RETENTION

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### ABSTRACT

*There is an outcry in local authorities regarding human capital flight and poor service delivery. The ability of local authorities to retain qualified personnel is reportedly low. To recruit and retain experienced, educated and dedicated personnel requires that local authorities' practice retention strategies. By retaining talent local authorities may improve their productivity as well as achieve acceptable levels of service delivery. Some of the retention strategies recommended in this paper include, induction, and training, effective communication, a good human resource function, acknowledgement of achievement and concessionary loans. The paper exposes an extensive literature search. Literature on turnover and retention was studied at length and then appropriate retention strategies to retain talent were formulated.*

**Keywords:** Human capital, Retention strategies, Local authorities, Turnover, Survival curve, Settled connection.

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### Contribution/ Originality

The study contributes in the existing literature on human resource management in Zimbabwe Local Authorities. The paper primarily contributes issues that are relevant to the Zimbabwean situation. The paper is one of the very few studies which have investigated causes of departures by employees in Zimbabwe Local Authorities.

### 1. INTRODUCTION

This paper spells out the strategies that local authorities can utilize to retain human capital. Human capital has been defined as “stock of all competencies, knowledge, personality, attributes embodied in an organization.” (Schmalz, 2013). Maenpaa and Raimo (2012) also defined human capital as “the individual’s knowledge, experiences, capabilities, skills, creativity and innovativeness.” Human capital so defined is important for organizations and must be looked after jealously because the organization’s ability to progress rests with it. The human capital is owned by individual employees not the organization. Hence human capital can move as and when necessary, when people change institutions. The importance of people in organizations is not a questionable issue. What is not clear are the strategies institutions utilize to attract, retain and maintain the important human capital reinforcing the point forwarded by The Government of Alberta (2008) when they wrote that “employee recruitment and retention has emerged as one of the primary challenges facing employers today”. Nguwi (2005) emphasized the importance of retention strategies when he advocated for retention strategies that are simple, focused and time framed with periodical reviews in order to create a workplace that motivates, retains and gets the best out of people. This paper will articulate the retention strategies that can be implemented by local authorities in Zimbabwe in a bid to retain the human capital at their disposal. Issues to be articulated in this paper will include proper recruitment, close

relations, recognition, flexibility in salary and benefits, proper training and development, proper placement for existing employees, social interaction, clear vision that shows uniqueness quality of leadership, management style and organizational style. However, retention strategies alone without considering the cause of peoples' departure from organizations will not be enough, hence the need to analyze the causes of turnover in a bid to craft retention strategies.

"Employee retention is defined as a systematic effort by employers to create and foster an environment that encourage current employees to remain with the organization" (GoA, 2008). It is pertinent at this juncture to mention that employees must not just remain in local authorities, but also gives their best in terms of service as well as get a fair treatment. People are the most important resources and their proper utilizations leads to increases in productivity.

The multiplicity of services assigned to local authorities by Central Government in the Urban Councils Act 29:15 points at the need to have good manpower if services are to be delivered on time with an element of quality. Poor service delivery is currently a cry word among the residents of Zimbabwe be they urban or rural. One of the reasons put forward for poor service deliver by public institutions has been the manpower flight. This expose will therefore attempt to pursue and explain the retention strategies put forward by scholar, be it in production or in service industries in a bid to retain the services of their current stock of human capital.

## 2. CONCEPTUAL FRAMEWORK

A number of writers have dwelt on the subject of staff retention at length by starting from the perspective of causes of turnover, especially the causes of staff turnover have been written about extensively. Turnover has been defied as the rotation of workers around the labour market between firms, jobs and occupations and between employment and unemployment (Ulrich *et al.*, 1991). Armstrong (2001) came up with a list of reasons why people leave organizations. Armstrong indicated that these causes of turnover were obtained from exit interviews. Among them are issues like "more pay, better prospects, also stated as correct move, more security, team leader, harassment and personal reasons like pregnancy and illness, more opportunities to develop skills, better working conditions, poor relations with the manager" Armstrong (2001). Evans (2001) outlined the following as factors leading to turnover, age, length of service, industrial sector, organizational size, occupational groups and geographic location".

People who may leave may persuade or attract others to follow. This is because people who work together develop social ties, they communicate about work issues freely. The group cohesion can foster turnover so it needs to be managed. Members who have left can make a direct effort to recruit people they were working with hence the need to develop tight, keeping strategies in local authority so that departures are at a minimum.

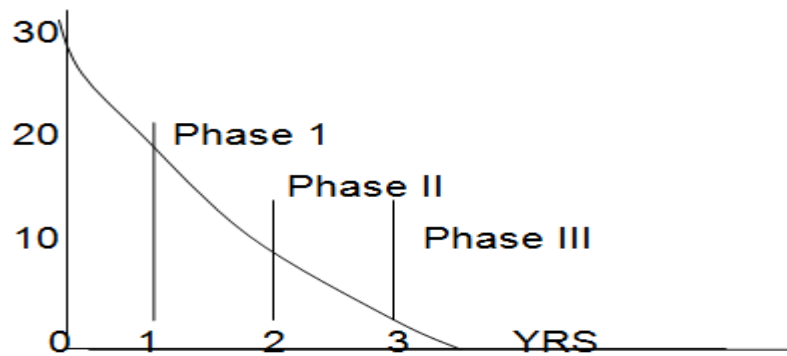
## 3. GEOGRAPHIC LOCATION

Geographic location is also important in labour turnover. Most people prefer to work in urban areas as compared to rural areas. In fact, they prefer the urban environment more than the rural set-up.

## 4. ORGANIZATIONAL SECTOR AND POSITION

It has general been found that turnover is related to organizational size. Reasons for this relationship relate to opportunities for career development and promotion. The general principle is that the more senior the role in an organization the lower the rate of turnover. The differences may reflect differences in opportunities for career development within internal labour matters. Those people who get employment in the executive group are likely to stay than their junior counter parts. The executives identify with the organizations they may not want to move. Organizations need to recognize employee contribution and reward it accordingly even in small institutions and in

lower positions. Local authorities may need to re-assure employees about the security of their future if they remain in the employment of local authorities. So that local authorities as going concerns show employees that they have the potential to be there for the foreseeable future. To add to the promise of a secure future local authorities management should treat subordinates with dignity and avoid injuring their pride whilst they are in their employment. Solutions to the above causes will assist the writer to craft retention strategies that local authorities can adopt to keep and maintain important human capital. Boella (2000) created what has come to be known as the survival curve figure 1.



Source: Boella (2000)

The survival curve is divided into three segments phase one the induction crisis, phase two the differential transit and phase three the settled connection. Phase one is when labour turnover is most critical. Causes identified by Boella (2000) in this phase include poor induction and change of supervisor. It's assumed that only after joining the organization will an employee understand the type of organization one has joined and as such one can then make a decision as to whether to stay or they leave during the induction crisis phase 1, many employees leave. Employees who experience induction crises in the first few weeks or months when they discover that the organization does not fit their expectation leave. The departure of the newly found employee's points at the departure or important human capital procured at a price to the organization. Torrington *et al.* (2002) agreed with Boella (2000) that induction or the lack of it can cause departures from organizations. This paper will tap from all the three writers work in a bid to create those retention strategies local authorities can utilize.

## 5. INDUCTION AND TRAINING

The first retention strategy needs to deal with the issue of induction in local authorities. Induction as a process that introduces new arrivals to all aspects of the new organization is very important. Torrington *et al.* (2002) suggested induction as a strategy to curb departures when he wrote that ... "effective and timely induction reduces turnover in the early stages because the induction prepares new employees to work as effectively and as soon as possible in their new jobs." A good introduction helps new starters to adjust emotionally to the new workplace. They understand where things are who to ask when not sure about what to do. Induction helps employees to settle in their new found jobs.

After the induction process training does not have to stop new entrants need to continue receiving relevant training' organizations are unique, and that uniqueness needs to be emphasized in their training and development. Unique training and development programmes need to be designed so that they create access to professional development opportunities for employees at all levels. Curtis (1989) is of the opinion that "it is better to recruit people you have already got by retraining them." which I observe as a reinforcement of the need for an induction. Once your existing employees are changing jobs, sections and or supervisors give them some training so that they

can better cope with the new situation and the new management. New situations in employment need to be prepared for and that is achieved by induction, training and development. Training and retraining can be important for those employees on the verge of being dismissed. Retaining employees can be achieved by spending money, time and effort on the employee in a bid to reshape them with the organizations' unique training. Staffing can be achieved not by firing but by recycling. Remedial action needs to be taken before an employee is discharge if it works the employee is then kept. The important assumptions forwarded by the above are that human capital will move as people move. However, movements can be limited or eliminated by reassigning workers on the verge of being dismissed and then training the newly assigned employees.

## 6. COMMUNICATION

Those employees who fail to get good induction leave the organization as fast as they come. Closely related to the need for good induction and training is management of employee expectations. When new employees start work, their eyes are wide open and they have expectations. It is only when they are already on the job that they understand how the job fails to meet their expectations and they leave. False impressions created by employers or their representatives to attract employees can also cause turnover. "Graduates who are recruited start work confident in the belief that their days will be filled with interesting work, that they will be treated fairly and objectively in terms of performance assessment, that their career developments will be fostered judiciously and that their working lives will in some way be fun and exciting" [Torrington et al. \(2002\)](#). Expectation must be dealt with sympathetically and tactfully if new recruits are to stay in the organization. It is also the duty of managers to create an overall climate in which the organization and its human resources will be able to do the best for each other ([McGregor, 1960](#)) theory x advocated for management by integration and self-control. As [McGregor \(1960\)](#) advocated "for management to be based on attitudes and beliefs about people, their importance and the managerial role of achieving integration." That will help to build trust and openness.

Trust in interpersonal and intergroup relationships is essentials if full and open communication is to occur. The trust will open communication. The communication will then help to maintain employees in the organization as they enjoy an open and non-manipulative sharing of data. The openness will help in solving of work problems. Conflict issues should be dealt with openly and solved as much as possible like is said by the old age adage 'a stitch in time saves nine'. Management should pay due heed to all grievances and remove all misunderstandings in order to restore good relations in a bid to retain human capital. In that process management will need to be free and frank and also appreciate frankness of others. Management also needs to promote honesty among the individuals by speaking about own mistakes before criticizing others. Such action will create cohesion among all employees in the process as managers will be proved to be good leaders. Managers in local authorities need to have tools of managing their employees ([Goyal, 2002](#)) suggested that "Managers should use Leveling as a tool of problem solving" Leveling includes the skills and courage to share candidly with others meaningful information about how workers think reacts and feels about work issues and co-workers." Providing feedback to employees whenever possible is very important if workers and the institutions are going to operate at the same level. Feedback is simply communication skills for providing accurate data on others as well as ourselves. Effective communication improves the atmosphere and working relations. There must exist a situation where employees and managers exercise requesting each other's efforts instead of issuing directives in the interest of good human relations.

## 7. THE HUMAN RESOURCE FUNCTION

Another strategy that managers in local authority can embrace to retain human capital is the provision of a total human resource function. [Goyal \(2002\)](#) wrote that steps to improve use of human resources management

function should be taken. "The human resource functions that must be improved include human resource policy formulation, personnel procurement, personnel training and development, compensation, integration, maintenance, research, personal information, control and management. Goyal (2002) the starting point is in human resource policies that must be fair to all employees in the institutions. Policies must contribute to the achievement of the organizations' objectives as well as providing a conducive atmosphere of work to the employees so that their output is maximized. A good human resource management policy will facilitate all the other human resource functions.

When all human resource functions are performed efficiently and effectively there will be an improvement in human relations for example the existence of proper recruitment and deployment is important for local authorities. A local authority must aim to recruit the right people and match them to the right jobs. In the process focus must be put on building the right team. Mention of the right teams will only be possible when management knows what employees want. Knowing each person as a unique individual with their own core values and interests means that management must be informed of each individual employee's aspirations which aspirations must foster the local authority's objectives. Fitting square pins into round holes will lead to departures hence the need for proper recruitment selection and placement as an important retention strategy. The local authority needs to ensure proper placement and promotion opportunities for each individual employee so that it achieves what Fulop (1986) called the most important and urgent need that towers above the rest ..."the motivation of personnel". Motivation can increase effectiveness and productivity as well as job satisfaction and thus avoid wastage of human capital developed at a high cost.

## **8. TRAINING AND DEVELOPMENT**

Training and development opportunities on one hand enhance commitment to an employer on the other hand training make people, employable and hence more likely to leave. However, training which is paid for by employer is more or less likely to raise mobility than when paid for by the employee. Training as a retention strategy must focus on supervisors and managers so that they understand and apply their knowledge properly. Supervisors and managers need to be trained on coaching as a retention strategy in local authorities as well as further training in the correct usage of performance management techniques for their particular industry. If they are to assist the organization retain the important human capital.

## **10. CONCESSIONARY LOANS**

Concessionary staff loans can also be used as a retention strategy as they tie the individual to the organization. Concessionary loans should not be extended to poor performers as they may bond them to the organization unnecessarily and in a set up were nobody needs them.

## **11. ORGANIZATIONAL CULTURE**

The organization's culture and values exert enormous influence on the employees. Local authority's values and culture should be accepted by all employees. The acceptance should be seen by being acted upon by one and all in the local authority. In that way human capital is retained.

## **12. CONCLUSION**

No organization can survive for long without proper utilization and maintenance of its human resources. Employees need to be treated with dignity as adults and as partners. Local authorities need to promote cordial relations between employees and employers and employees and managers. Among the strategies of maintaining

relations between the two parties are proper human resource strategies, effective communication, proper training induction and development in local authorities.

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**Contributors/Acknowledgement:** Human resources are the most important asset and their tactful management is key to success of an organization. Another strategy is acknowledgement of employee's contribution as well as proper rewarding of the human effort. The reward can be a monetary allowance that is not part of the basic salary because a salary is a fixed cost. A salary as a fixed cost is difficult to manipulate once agreed upon. Hence the need for something else that is different from the salary. It can be a lump sum figure that is not related to salary. The bonus must be large enough to be felt by the recipient.

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