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Ying Zhang
Southern Cross University

Michelle Wallace
Southern Cross University

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Retaining Key Staff in SOEs in the Construction Industry in China

Ying ZHANG

Graduate College of Management, Southern Cross University, Tweed Heads, NSW, Australia

E-mail: zhangying920@126.com

Associate Professor Michelle WALLACE

Graduate College of Management, Southern Cross University, Tweed Heads, NSW, Australia

E-mail: michelle.wallace@scu.edu.au

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ABSTRACT

*China suffers from skills shortages especially in key staff and the construction industry is no exception. The research presents the results of a retention survey undertaken with 400 managers and technical staff in construction state owned enterprises (SOEs) in relation to eleven factors that have been identified in the, mainly western, literature to influence retention. Ten of these factors were seen to support retention at different levels of intensity with fair treatment, opportunities for learning and development, **and challenging and interesting work** the most **significantly** valued. One factor, job security, was found to not correlate with retention. The authors suggest some reasons in Chinese workplace culture for this seeming anomaly and make recommendations regarding implementing retention strategies adapted **from the western context**, for **Chinese SOEs**.*

Key Words: retention, motivation factors, China, construction industry, HRM theory and practice.

INTRODUCTION

This paper focuses on solutions to the research questions: what and how do motivation factors influence the retention of key staff in SOEs in the construction industry in China? It commences with a discussion on the cultural and HR policy background in China. Perspectives on retention are then presented, including a discussion on the research gap and hypotheses. The methodology and findings are examined and conclusions about the hypotheses drawn. The authors then provide some explanation for these findings in the Chinese context, provide detailed ideas for practice and discuss further implications of the research.

LITERATURE REVIEW

The construction industry is the backbone of the Chinese economy. However, despite its large population, China suffers from skills shortages, especially in key staff and the construction industry is no exception. As China has developed economically, SOEs, which once had a monopoly on the labour market in what was a 'job for life' culture have now to compete with joint ventures (JVs) and multi-national companies (MNCs) for skilled staff. Retention of key managerial and technical staff is a human resources and productivity issue for SOEs.

Cultural and HR Policy Background in China

Confucian ethics and traditional Communist values influence workplace relations in China. Traditional Chinese cultural values are the bedrock of thought and behaviour (Xue, 2007) and comprise harmony, perseverance and loyalty (Chow, 2004; Purdum, 2005) while also emphasising the importance of education (Chow, 2004; Misko, Liu, & Jiang, 2005). 'Face' is of particular importance, as it is the critical element for harmony. Others' subtle opinions and pressures norm an individual's behaviour, so they do not lose face with their peers or community (Tang, & Ward, 2003; You-Jie, & Fox, 2001). In China, enterprises have followed the lead of the Soviet-style labour model, in which a person is chosen and regarded as a shining example of Chinese Communist work values, and this model motivates other staff (Marinelli, 2001). In comparison to western individualist cultures, Chinese culture is communitarian and Chinese prefer to share responsibility with their colleagues (Bruton, Ahlstrom, & Singh, 2002).

Whilst enduring Chinese cultural norms and values undoubtedly have an effect on practices in organisations, there have also been changes in practices due to industrial expansion, modernisation and the adoption of some western HRM and business practices. The government has moved from central planning control over the past 25 years and the 'three irons' policies (Yu, & Egri, 2005; Zhu, & Dowling, 2000), which effectively meant a job for life, promotion on seniority and standardised wages irrespective of the quality of the work, have been diluted. SOEs have been restructured and downsized. However, there may still be vestiges of the old Chinese HRM system (Chow, 2004). In order to understand the contemporary context for motivation and retention in China, these cultural influences on HR policy and practice need to be taken into consideration (Whitley et al. 2000).

Perspectives on Retention

Staff retention relates to a continuing employment contract between employees and their organisation and fostering retention comprises activities that can be taken by organisations to enhance job satisfaction (Frey, & Stechstor, 2007). There is a connection between retention and market share, profits and competitive advantage (Chen, Chang, & Yeh, 2004; Branham, 2000).

Retention is significant in the contemporary context because it is an issue in both developed and many developing countries. China also suffers from high turnover as a result of skills shortages (Millar, 2006) especially in managerial and technical staff in SOEs for the following two reasons. Firstly, skills and talent shortages have become a major issue in HRM all over the world (Watson, 2006). China, which is a developing country, has had to compete with talented enterprise staff from western developed countries and furthermore, many talented Chinese have sought permanent positions in foreign countries after completion of advanced degrees (Zhang, Yhang, & Zhang, 2002). Secondly, since China has entered the World Trade Organisation (WTO), many MNCs have built enterprises in China in order to obtain and use local talent. As a result, Chinese companies have had to compete with the JVs for talent (Chow, 2004). There has emerged a dearth of managers and professional technical staff in China, and the construction industry is no exception (China Daily, 2007).

Chinese construction SOEs have some advantages over other types of construction companies because they are the primary undertakers of the national, fixed capital investment programs and have high quantities of good mechanical equipment and abundant funds (You-Jie, & Fox, 2001). Furthermore, because many central ministries, provinces, municipalities and counties have their own construction companies, those construction SOEs, find it easier to obtain construction projects (You-Jie, & Fox, 2001). However, the problem remains that there is high turnover in the construction industry (Mu 2007), a lack of management talent and key technical staff and little management knowledge of retention strategies (Liu, Li, Lin, & Nguyen. 2007).

The majority of western HRM literature has focused on employee retention in recent years and a number of factors have been identified that can help organisations reduce the turnover rate and motivate and retain employees. However, there is little information on retention and motivation factors in the Chinese context. In order to fill in the knowledge gap, prevent high turnover rates in this industry and improve the development of SOEs in China, this research focused on answering the following two research questions:

What motivation factors influence the retention of key staff in construction SOEs in China?

A literature review summarized the main motivation factors that can be controlled by organisations and that can positively relate to staff retention. Eleven factors were identified, including cash payment (Camilleri, 2007; Huff, 2006), benefit rewards (Huang, 2003; Huff, 2006; Purdum, 2005), challenging and interesting work (Drucker, 1998; Kelley, Blackman, & Hurst, 2007; Slagter, 2007), responsibility (Butler, & Waldroop, 2001), advancement (Huang, Lin, & Chuang, 2006), performance feedback (Snap, & Snap, 2006), fair treatment (Chebat, & Slusarczyk, 2005), recognition (Gentry, Kuhnert, Mondore, & Page, 2007), opportunity for learning and development (Booth & Hammer 2007), open and frequent communication (Cleveland, 2005), and job security (Harris, & Simon, 2005; Min, 2002, 2007).

This research reported here thus addresses a retention issue in China utilizing the eleven motivation factors discussed above and developed into hypotheses that are further described and explained below.

Cash payment, as a motivator, satisfies employees' basic needs, such as food, clothing and leisure activities. Sometimes monetary reward is also regarded as an indicator of success and status and it can show people's value within their organisation (Stone, 2005). Camilleri (2007) and Huff (2006) found that spending cash is the best and easiest way to address the problem of motivating and retaining key staff in a cash-rich organisation. Therefore the relationship between cash payment and the retention of key management and professional technical staff was tested in this research using the following hypothesis:

H1: Direct financial rewards (cash payment) have a positive correlation with retention.

Indirect financial rewards, called benefits, are an extrinsic motivation factor and are sometimes important to employees. Benefits include insurance, superannuation, medical and healthcare, childcare, employee assistance, flexible work schedules and holidays (Stone, 2005). Several studies have investigated the relationships between benefits and retention of US employees (Barber, & Bretz, 2000; Gerhart, & Milkovich, 1990). Some scholars found that company benefits are a vital tool to

retain employees (Huang, 2003; Huff, 2006). Therefore this research tested the relationship between benefit rewards and the retention of key management and professional technical staff, with the following hypothesis:

H2: Indirect financial rewards (benefit rewards) have a positive correlation with retention

Under job-related motivation factors there are five main independent variables including challenging and interesting work, responsibilities, advancement, performance feedback and recognition. The hypothesis and sub-hypotheses are listed below:

H3: Job related factors have a positive correlation with retention

H3a: Challenging and interesting work has a positive correlation with retention

H3b: Increasing employee responsibilities has a positive correlation with retention

H3c: Advancement has a positive correlation with retention

H3d: Good performance feedback has a positive correlation with retention

H3e: Recognition has a positive correlation with retention

Work environment rewards have been shown to bring greater net benefits for an organisation than pay rewards (Rumpel, & Medcof, 2006). Developing a stimulating work environment can effectively motivate employees to behave consistently and remain focused on their employer's goal (Amar, 2004). In recent years, there have been several reports which show the relationship between retention and the work environment (Booth, & Hammer, 2007; Chebat, & Slusarczyk, 2005; Cleveland, 2005; Gentry, Kuhnert, Mondore, & Page, 2007). There are a number of environment-related motivation factors, but the research focused only on the ones that organisations can control. The hypothesis and sub-hypotheses related to environment-related motivation factors are listed below:

H4: Environment related factors will be positively correlated with retention

H4a: Fair treatment has a positive correlation with retention

H4b :Opportunities for learning and development has a positive correlation with retention

H4c: Open and frequent communication has a positive correlation with retention

H4d: Job security has a positive correlation with retention

Combining these hypotheses, a retention model was produced as shown in Figure 1 below.

Insert Figure 1 about here

METHODOLOGY

The population of these organisations relevant to this research involves all the management and professional technical staff in construction SOEs in China. The total population would be about 120 thousand management and professional technical staff. Construction enterprises are divided into five types of organisations including electrics, water, natural gas, heating and infrastructure. These five types of organisations are necessary for the construction of any city in China (Beijing Municipal Construction Committee, 2007).

Leedy and Ormrod (2005) indicate that if the population is too large and it is beyond a certain point (at about 5,000 units or more), then the population size is almost irrelevant. Accordingly, a sample size of 400 was deemed adequate to effectively provide information for this population. The paper-based questionnaires were distributed by mail to 1,300 randomly chosen, potential participants who were key staff in the two types of organisations that had staff in all parts of China and in fact comprised 200 separate enterprises that were allied to the parent organisation (Beijing Municipal Construction Committee, 2007). For the purposes of confidentiality, these two parent organizations will henceforth referred to as Organisation 1 and Organisation 2. Organisation 1 undertakes the construction of water supply infrastructure to cities and counties. It is also involved in the sewage treatment and recycling indicatives and has more recently undertaken the installation and emergency repair of underground pipelines, the production and supply of water meters and pipeline maintenance. Organisation 2 mainly engages in municipal engineering, highway engineering, architectural construction, real estate development, engineering design, technical development and consultation, and the maintenance of municipal administration facilities. The research survey and process was approved by the Southern Cross University Human Research Ethics Committee and the survey was anonymously and voluntarily completed by participants.

Measures

A questionnaire used closed or pre-coded questions, with part one focusing on the attitude of employees and part two on demographic details. A seven-point Likert-scale ranging from 'strongly disagree' to 'strongly agree' was used in part one and nominal and ordinal scales were used in part

two. All items of part one in this questionnaire were established and developed in terms of the literature and scales were adapted according to previous studies/instruments that were tested and shown to have good reliability and validity as detailed in Table 1.

Insert Table 1 about here

Several methods were used to increase reliability and validity. Firstly, academic experts from Southern Cross University gave suggestions about the questionnaire design. The number of items for each construct was at least five as higher reliability and validity are associated with an increasing number of items (Bordens, & Abbott, 2005). Secondly, the questionnaire was originally written in English, translated into Mandarin and then translated back into English to check for clarity by two professional translators. Thirdly, the questionnaire was pilot tested (Davis, 2005), showing, the survey was too long. Some items were distilled via examination of correlations, factor analysis, Kaiser-Meyer-Olkin, Bartlett's test and reliability test.

FINDINGS

In the main survey, 400 paper questionnaires were returned and the response rate was 32.5 percent, which is considered to be a normal return rate. The average age of respondents was 42 and the majority were male (approximately 80 per cent). More than half (226) were professional technical staff and less than half (174) were managers. The differences between managers and professional technical staff are reported in another paper (Zhang, & Wallace, 2008).

Discussion about Various Hypotheses

Separate scores were calculated for each of the constructs (including retention) and correlations were conducted for each. Ten of the factors proved to be positively correlated with retention and only one factor did not show any relationship with retention as follows:

H1: Cash payment is positively correlated with retention

This hypothesis was supported ($r=0.37$, $p<0.05$) indicating that there is a significant positive relationship between cash payment and the retention of key staff in construction SOEs in China. This

finding is consistent with the result of previous studies that found cash payment can positively affect the retention of employees (Camilleri, 2007; Huff, 2006). Cash payment mainly includes base salary and incentive pay (Stone, 2005), therefore it may be surmised that if the employees could get more base salary and incentive pay, they would prefer to stay with these SOEs.

H2: Benefit rewards are positively correlated with retention

This hypothesis was supported ($r=0.34$, $p<0.05$) indicating that benefit rewards were positively related to retention. Huff (2006) has indicated that 48 percent of employees believe that gifts, a kind of benefit reward are the most effective motivating factor to make them stay in the same organisation. Huang (2003) has also pointed out that most employees prefer working in government-run enterprises because the benefit rewards system are better than in other companies in China, although this may be changing in a more competitive environment. This current research seems to indicate that the higher benefit rewards that staff receive, the greater the chance of retaining them.

H3a: Challenging and interesting work is positively correlated with retention

This hypothesis was supported ($r=0.48$, $p<0.05$). This is in line with previous studies from Slagter (2007) indicating that challenging and interesting work is significantly related to employee retention. When SOEs can provide challenging and interesting work, their key staff are more likely to maintain their engagement and remain with the enterprise.

H3b: Sharing Responsibility is positively correlated with retention

This hypothesis was supported ($r=0.15$, $p<0.05$) indicating that there were significant, positive correlations between the retention of key staff in those two construction organisations in China in relation to their level of shared responsibility. This supports findings in prior studies in western countries (Butler, & Waldroop, 2001). Due to the influence of Confucian culture, the Chinese interpretation of responsibility appears to be as a shared responsibility with their colleagues within the organisation rather than an individualized one and may need further investigation (Bruton et al.2002). The result does appear to indicate that if the organisation can increase their level of shared responsibility, key staff may be more likely to prefer to stay and work in their construction organisations.

H3c: Advancement is positively correlated with retention

This hypothesis was supported ($r=0.40$, $p<0.05$). This finding is consistent with results of previous studies that established a relationship between advancement and retention (Huang et al. 2006). A complicating factor may be related to the traditional Chinese Heritage Culture policy of advancement through age-based seniority in government-run enterprises (Taylor, 2005) indicating that some workers may favour a different criteria for advancement and this may also need further investigation.

H3d: Performance feedback is positively correlated with retention

This hypothesis was supported ($r=0.36$, $p<0.05$). This research is in line with the study by Snape & Snape (2006). It seems that increasing performance feedback may enhance the retention of key staff in those construction SOEs in China.

H3e: Recognition is positively correlated with retention

This hypothesis was supported ($r=0.44$, $p<0.05$) thus indicating that recognition is positively related to retention of key staff in those two types of construction organisations. The finding in this research is supported by some scholars (Gentry et al., 2007). Due to the effect of Confucian and traditional Communist values, Chinese enterprises always use a model to motivate employees that involves forms of recognition that pay attention to spiritual motivating principles and honored status (Marinelli, 2001). The result from this research is in line with results found in previous studies dealing with this subject. It appears that when recognition increased, key staff would stay and continue their work in those two types of construction organisations.

H4a: Fair treatment is positively correlated with retention

This hypothesis was supported ($r=0.61>0.50$, $p<0.05$). In this research the results showed that fair treatment had the highest positive correlation to the retention of key staff in construction organisations in China. This finding is consistent with the results of prior western studies that found there was a positive relationship between fair treatment and retention (Chebat, & Slusarczyk, 2005). In the context of China, due to the influence of Confucian culture, Chinese employees' emphasise receiving fair treatment, from both same rank employees and supervisors. Otherwise the employees tend to feel that they have lost face and their self-respect is hurt (You-Jie, & Fox, 2001). Therefore, fair treatment had a very strong positive relationship with retention of key staff in the two types of construction

organisations in China. The results appear to show that when fair treatment is enhanced, key staff prefer to stay in their organisation.

H4b: The opportunities for learning and development positively correlated with the retention

This hypothesis was supported. In this research the second highest significant positive correlation was found between opportunities for learning and development and retention of key staff ($r=0.58 > 0.50$, $p < 0.05$). There was a strong relationship between opportunities for learning and development and retention. This point of view of the positive relationship was supported by prior western studies (Booth, & Hammer, 2007). In the Chinese context, Confucian values emphasized the importance of education (Chow, 2004) and the government requires that the employee have a related degree or other accepted level of training (Misko et al., 2005). The employer also expects employees to accept the regularly update training (Misko et al., 2005).

H4c: Open and frequent communication positively correlated with retention

This hypothesis was supported. In this research, the results of the correlation test for open and frequent communication was $r=0.45$, $p < 0.05$. This finding had been supported by previous studies that show open and frequent communication was negatively correlated with employee's turnover, and open and frequent communication had a positive relationship with the employee's loyalty and retention (Cleveland, 2005).

H4d: Job security not positively correlated with retention

This hypothesis was rejected in this research. The result of the correlation test for job security was $p > 0.05$. There was no significant relationship between job security and the retention of key staff in those two types of construction SOEs. This is in great contrast to prior western studies indicating that job security is positively correlated with retention (Harris, & Simon, 2005; Min, 2002, 2007) and is a new finding in relation to some Chinese employees.

One reason for this may be respondent fatigue or the form of measurement. However, this was not the last set of questions and the section on job security was adapted from the existing scale, which has good reliability and validity. Thus there are three possible explanations for this. Firstly, the

investigation is aimed at staff in construction SOEs, which followed the ‘iron rice bowl’ policies until the 1980s. Although the ‘iron rice bowl’ policies had been canceled from the 1980s, in order to keep good employees, SOEs have offered three-year renewable contracts to reduce the employees’ feelings of job insecurity (Yu & Egri, 2005). Therefore, a majority of employees appear not to be feeling job insecurity. Secondly, Confucian culture may have an impact. Traditional Chinese culture places emphasis on trusting the family absolutely (Tang, & Ward, 2003). A majority of Chinese staff working in SOEs are likely to place more trust and expect more support in the employment relationship because the organisation is commonly regarded as a big family, with the employer regarded as the master of this big family (Tang, & Ward, 2003). Despite downsizing in SOEs in recent years employees still seem to feel that job insecurity is not an issue for them. Finally, the skills shortage in China, along with rapid economic expansion, indicates that unemployment may not be an issue for these highly skilled occupational groups. Perhaps these skilled managers and technical staff also feel that they can gain employment in MNCs or JVCs if they wish. This avenue may not be open to less skilled employees and warrants further research. The impact of the global financial crisis provides an opportunity to revisit these explanations. Therefore, in the case of these construction SOEs job security had little relationship to retention of key technical and management staff in the economic boom.

Discussion about the result form Multiple Linear Regressions (MLR)

Based on the results of a correlation test, the 10 factors, as shown above, positively related to retention and the 10 factor correlations did not display multicollinearity. The MLR was thus conducted on the organizations in this research. The result indicated that there were three factors, such as fair treatment, learning and development, and challenging and interesting work that contributed more significantly to retention, as shows in following Table 2.

Insert Table 2 about here

The relationship between all 10 independent variables and retention was then explored. The 10 independent variables were used in the following equation. The prediction equation of the retention of the retention of key management and professional technical staff produced by this analysis was as follows:

$$Y \text{ (the retention of key management and professional technical staff)} \\ = -0.037H1a - 0.060H2a + 0.136H3a + 0.085H3b + 0.014H3c + 0.103H3d - 0.062H3e + \\ 0.393H4a + 0.245H4b - 0.034H4c + 1.233$$

Summary of findings

Ten of the eleven hypotheses accepted the null assumption in this research and those ten motivation factors were all positively related to retention. The ten motivation factors are shown in descending order of importance of their positive correlation with the retention of key management and professional staff in construction SOEs in China: fair treatment, opportunities for learning and development, challenging and interesting work, open and frequent communication, recognition, advancement, cash payment, performance feedback, benefit rewards, and responsibility. However, only one hypothesis, job security, was found to reject the null assumption.

The results from the data analysis indicate that three of four motivation structures including direct financial rewards, indirect financial rewards, job structure could positively affect the retention of key staff in construction SOEs. A majority of motivation factors under the environment structure are positively related to the retention of key staff in construction SOEs in China. For these factors there seems to be little difference between western and Chinese employees' retention motivators. However, only job security, which is part of environment motivation and is usually high on western respondents' choices, seems not to influence retention of key staff in Chinese construction SOEs.

The three factors including fair treatment, learning and development, and challenging and interesting work are a significant contribution to the retention equation. The importance of opportunities for

learning and development may well be due to the influence of traditional Chinese culture, because Confucian values emphasize the importance of education and obedience to authority (Whitley et al., 2000). Fair treatment may also be important may because of the influence of Confucian values of interpersonal harmony and saving face, otherwise, once the staff considered they are unfair treatment, they feel loss of face and self-esteem (Tang, & Ward, 2003). Challenging and interesting work was also found to be a good motivation factor influencing retention perhaps because this research focussed on employees who are knowledge workers, gold-collar workers and talented workers (Kelley, Blackman, & Hurst, 2007; Smith, & Rupp, 2002).

Limitations and Areas for Further Research

As this research focused on two types of construction organisations in China albeit geographically dispersed ones, the results may not be suited to different types of enterprises, different industries and different countries. The research also focused on particular types of employee so the findings are not generalisable to other types of employees in the construction industry in China.

The research did not measure retention with objective data from a separate source, for example actual turnover rates. Rather it used an attitude scale combining items about organisation commitment and intentions to quit. It would be interesting to use different measures from the various organisations and compare these to the attitude instruments used here.

Valuable follow up work could emanate from this study either through more fine-grained survey or interview research. It would be interesting to delve more deeply into issues around promotion and retention in light of older Chinese HRM practices based on seniority and more recent ones that define merit in other ways. Further research on issues of job security (and mobility) would also be useful. It would also be valuable to learn more about how fair treatment and the opportunities for learning and development are undertaken and how this relates to advancement, responsibility and retention. It would also be instructive to compare retention practices in SOEs with other forms of enterprise in

China. Further research could also focus on applying the questionnaire in different types of enterprises, and different industries in China and other emerging economies.

Conclusion and Recommendations

The findings of this study have implications for construction SOEs and the managers, who work in those enterprises. The recommendations in Table 3 offer policy and practice advice.

Insert Table 3 about here

This research makes four contributions to literature and methodology. Firstly, in response to findings in previous literature, the researchers established a theoretical framework that linked motivation factors with retention. Furthermore the findings show great overall similarities between motivators for Chinese employees and western employees (with one notable exception), even though there are cultural difference between China and western countries. The survey transferred Western concepts to a Chinese context but with some subtle nuances and differences in meaning. For example shared responsibility amongst a group, rather than on an individualized basis, recognition in the form of a role model or ideal based on spiritual values, rather than a range of ‘star’ high achieving individuals, fair treatment based on honour and face rather than equity, and national, cultural values around education rather than personal development and advancement. Thirdly, this research informed recommendations for construction SOEs in China, which have the potential to help these enterprises retain different employees’ group within their staff. Finally, this research used and tested the twelve scales derived from western contexts in the Chinese context. This research is important because the existing scales are based on literature being used in a non-traditional environment. It has therefore contributed to further development of the scale. Furthermore, the finding that job security is not a significant motivator for these Chinese workers is new knowledge and warrants further investigation. Arguably, this is one of the first studies on retention of key staff in Chinese SOEs.

TABLES

Table 1: Scales of variables

Variable	Concept	Source
Direct factor structure	Cash Payment	(Bearden, Netemeyer, & Mobley, 1993)
Indirect factor structure	Benefit Rewards	(Bearden et al., 1993)
Job structure	Challenging and interesting work	(Bruner, & Hensel, 1992)
	Responsibility	(Fierro, & Berdun, 2007)
	Advancement (promotion speed)	(Bearden et al., 1993)
	Performance feedback	(Bruner, & Hensel, 1992)
	Recognition	(Bruner, & Hensel, 1992)
Environment structure	Fair treatment	(Bruner, & Hensel, 1992)
	Training	(Zhang, Waszink, & Wijngaard, 2000)
	Open and frequency Communication	(Melhem, 2004)
	Job security	(Amar, 2004)
Retention	Retention	(Bearden et al., 1993; Bruner, & Hensel, 1992)

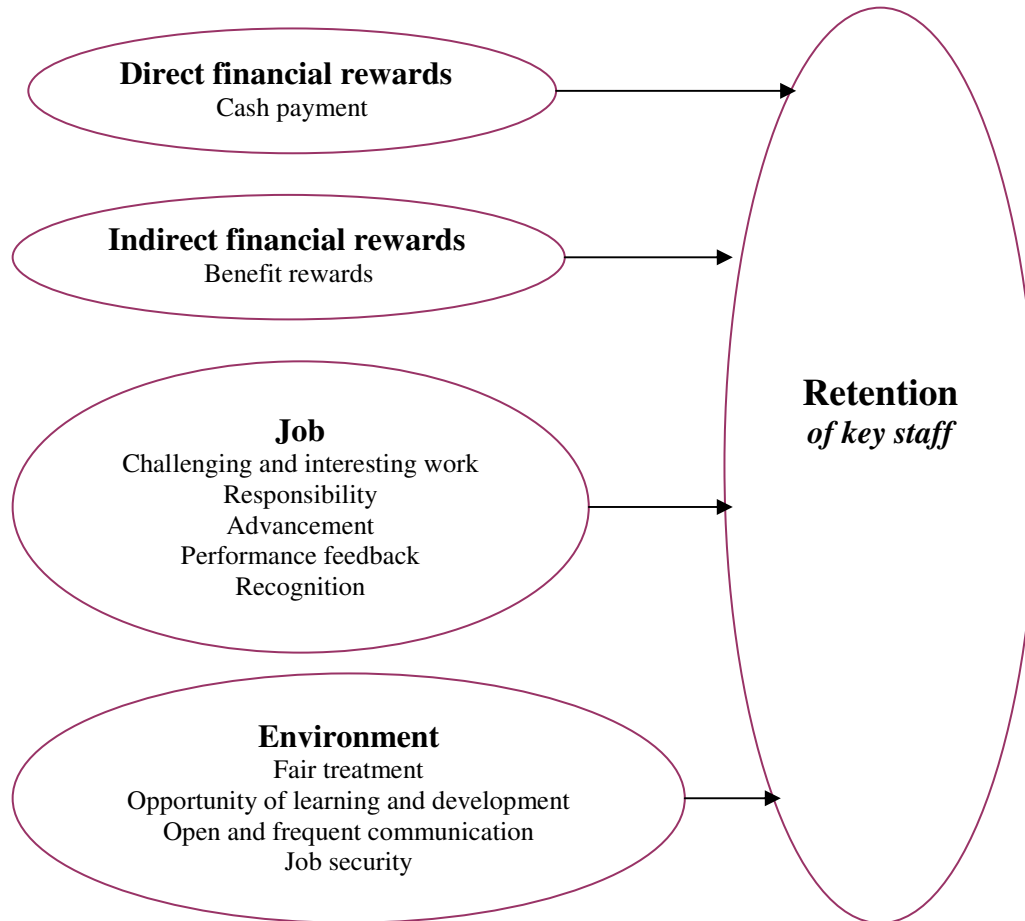
Table 2: Coefficients in the aggregated organisations

Model	Unstandardised Coefficients (B)	t	Sig.
(Constant)	1.233	4.62	Sig.<0.05
H1a: Cash payment	-0.037	-0.78	ns
H1b: Benefit rewards	-0.060	-1.29	ns
H3a: Challenging and interesting work	0.136	2.63	Sig.<0.05
H3b: Responsibility	0.085	1.86	ns
H3c: Advancement	0.014	0.24	ns
H3d: Performance feedback	0.103	-2.00	ns
H3e: Recognition	-0.062	-1.28	ns
H4a: Fair treatment	0.393	6.78	Sig.<0.05
H4b: Learning and development	0.245	5.34	Sig.<0.05
H4c: Open and frequent communication	-0.034	-0.68	ns

Table 3: Guidelines on how to keep employees, presented in descending order of importance.

<p>The three most important and efficient methods for keeping employees:</p> <ul style="list-style-type: none">• Try to institute fair policies in all kinds of area within the organization based on honour and face rather than only focusing on equity, such as a fair payment system through the means of transparent remuneration processes, fair opportunities for learning and development based on needs analysis and personal ability, and a fair chance of advancement based on merit rather than seniority, to ensure retention of all kinds of key staff.• Provide superior training opportunities for different employees and provide different types of training and education opportunities for different level employees in order to promote the retention of all kinds of key staff. The training process could include two aspects: skill and knowledge, and spirit training. In the process of spirit training, it could emphasise the honor of recognition as a member of the organisation.• Combine employee interests with those of the organisation to provide challenging and interesting work for different employees,. To achieve this, the managers could provide the chance for employees to choose their job within a limited scope, institute their own job objectives and introduce job rotation which would provide a challenging and interesting work environment.
<p>Other ways for retaining key staff, presented in descending order of importance:</p> <ul style="list-style-type: none">• Provide consistent communication policies and standardized communication forms within the company. Carry out regular communication between employees and managers, utilizing voice-mail, e-mail, telephone call and face-to-face contact, in an effort to reduce misunderstandings and build trust between employees and the managers.• Give proper recognition in the form of ideal based on spiritual values, such as employee honor status (either annual, quarterly or monthly honors), praise, respect, written thank-you notes from the employer, and ceremonies, photographs and write-ups in newsletters, to psychologically promote the retention of key staff. When managers provide proper recognition of employees, the type of recognition could be dependent on the different age groups of employees.• Provide opportunities in the future for employees who have the ability, to gain promotion and the promotion could be based on their abilities and outputs, and so motivate the key staff to stay in their organisation.• Carry out an effective cash payment system and institute an effective bonus policy to prompt employees to work hard and stay with the organisation. Managers could set up different kinds of bonus based on the different needs and aspirations of individual employees. These policies may be important to promote the retention of key staff.• Provide performance feedback that is timed appropriately, synthesized, clear and provided by the managers and this could be detailed and relevant in order to retain key staff. Managers could refrain from giving negative feedback in public to avoid Chinese employees losing face.• Aim to satisfy reasonable employee demands, providing appropriate and flexible benefit rewards, such as providing entertainment for employees or providing relevant loans to employees who have emergencies in order to promote the retention of key staff.• Give proper autonomy, freedom or self-governance rights to key staff and try to let key staff share responsibility with the managers and organisation rather than master the responsibility by an individualized basis in order to promote the retention of employees.

Figure 1: The model of motivation factors affecting retention



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